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**Southwest Aggregates**

Proposed Water Storage Reservoir  
16470 Tamiami Trail  
Punta Gorda, Florida 33955

BBG File #0123106326

**Prepared For**

Mr. Richard Neslund  
Southwest Aggregates  
14696 Olde Millpond Court  
Fort Myers, FL 33908

**Report Date**

April 28, 2023

**Prepared By**

BBG, Inc., Tampa Office  
3800 W. Bay-to-Bay Boulevard, Suite 23  
Tampa, FL 33629  
813-524-5700

Client Manager: Kyle Catlett, MAI  
kcatlett@bbgres.com

**BBG Website**

[bbgres.com](http://bbgres.com)



April 28, 2023

Mr. Richard Neslund  
Southwest Aggregates  
14696 Olde Millpond Court  
Fort Myers, FL 33908

Re: Appraisal of Real Property  
**Southwest Aggregates**  
16470 Tamiami Trail  
Punta Gorda, Florida 33955  
**BBG File #0123106326**

Dear Mr. Neslund:

In accordance with your authorization (per the engagement letter found in the *Addenda* of this report), an Appraisal Report of the above-referenced property has been prepared. The value conclusion contained herein is applicable to March 29, 2023 the date of our last physical inspection. Rob Hicks, MAI has appraised the subject property on four prior occasions, February 26, 2013, July 11, 2014, August 13, 2015, and October 1, 2017, but have provided no other services over the three-year period immediately preceding acceptance of this assignment, as an appraiser or in any capacity.

The subject of this appraisal assignment is a 1,204-acre property located between the Cities of Punta Gorda, Fort Myers and Cape Coral, in Charlotte County, Florida. The property rights appraised are Fee Simple subject to Perpetual Conservation Easements, as well as any other encumbrances of record. There are significant development restrictions/limitations to the areas encumbered by the Perpetual Conservation Easement that will be discussed later within this report. Additionally, all other development limitations and use restrictions applicable to the subject are detailed within the Regulatory section of this report. Your attention is directed to the body of this report for a more detailed description of the property, surrounding environs and valuation analysis.

As of the valuation date of this report, the owner of record is Neslund Family LTD Partnership II and B P Limited Liability Company. The subject is not currently listed for sale, nor is it under a sales contract. This appraisal report is intended to be used Southwest Aggregates, Richard Neslund and designated representatives. A secondary user may include the City of Cape Coral.

The City of Cape Coral has a 2023 population of 211,192 which has grown from 164,323 just 10 years ago. The City has a need for water to replenish freshwater canals north of Pine Island Drive during the dry season when water levels drop to a point where irrigation and fire protection are significantly impacted. The subject of this appraisal is a limestone mining property that is nearly depleted of minable materials. Thirty years of excavations at this site have created 580-acres of 20- to 25-foot-deep lakes/pits with the capacity to store more than 3.9-billion gallons of water. This storage capacity and the proximity of this property to the freshwater canal need makes this property a unique solution to the water shortage issue.

The property is located in a natural watershed between Babcock-Webb and Yucca Pens Wildlife Management Areas. A confining layer of limestone on the bottom of the pit limits seepage from the pits and 550 acres of preservation land that gather rainwater as well as the watershed from the 65,000- acre Babcock-Webb WMA upstream from the property provide natural replenishment sources for the reservoir.

For the past four years up to 16-million gallons per day have been pumped into stormwater retention ditches that move water to Gator Slough and the freshwater canals beyond. This method suffers from evaporation and transpiration delivering less than 70% of the pumped water to the destination and requires annual permitting through the Florida Department of Transportation. A 36" pipeline has been designed that will extend under the roadside ditches in the US Highway 41 right-of-way with an estimated construction cost of \$20- to \$25-million.

The property owner and City officials of Cape Coral have been negotiating a potential purchase of the subject property as a permanent solution to this water issue. The intended use of this report is to form an opinion of the Use Value as a Water Storage Reservoir. No other intended users or uses are known or presumed in this analysis.

This appraisal has been prepared in accordance with Standard Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice as approved by the Appraisal Standards Board of the Appraisal Foundation and is classified as an *Appraisal Report*. The report describes significant data and analysis in support of the assignment results with a thorough reporting of the relevant data, analysis, and conclusions. The undersigned have no current or prospective interest in the subject property, or the parties involved. This appraisal report is subject to the following extraordinary assumptions and hypothetical conditions.

#### EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS

The values presented within this appraisal report are subject to the extraordinary assumptions and hypothetical conditions listed below. Pursuant to the requirement within Uniform Standards of Professional Appraisal Practice Standards, it is stated here that the use of any extraordinary assumptions and/or hypothetical conditions might have affected the assignment results.

##### Extraordinary Assumptions

- The total water storage capacity of the subject mining pits as provided by Southwest Engineering and Design, the engineering company is reported to be 12,000 acre-feet. Our value estimate is contingent upon this capacity. We reserve the right to revise our value estimate in the event that the total capacity differs from what has been used herein.
- It is assumed the required permits necessary for the mined pits to operate as fully functional water storage reservoirs capable for storage and discharging of water will be forthcoming from the requisite agencies and that the reservoir use is a legally permissible use of the property.
- Sizes of the overall site, lakes and conservation areas are based on information obtained in the public records, County Property Appraiser's website and information provided by the client. If more accurate information becomes available regarding the size of the property or allocation of lands, our value estimates may be subject to revision.

##### Hypothetical Conditions

- In the preparation of the Cost Approach, a hypothetical condition that the subject site is unmined was used to determine the total cost to acquire and develop a water storage reservoir on a property where none already exists.

#### MARKET VALUE CONCLUSION

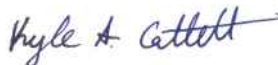
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Value In Use	Fee Simple	March 29, 2023	\$38,000,000

This letter must remain attached to the report, which should be transmitted in its entirety, in order for the value opinions set forth above to be relied upon by the intended users. BBG, Inc. appreciates the opportunity to have performed this appraisal assignment on your behalf. If we may be of further service, please contact the Client Manager.

Sincerely,



Robert C. Hicks, MAI  
State-Certified General Real Estate Appraiser  
RZ1059  
rhicks@bbgres.com



Kyle A. Catlett, MAI  
State-Certified General Real Estate Appraiser  
RZ3875  
kcatlett@bbgres.com

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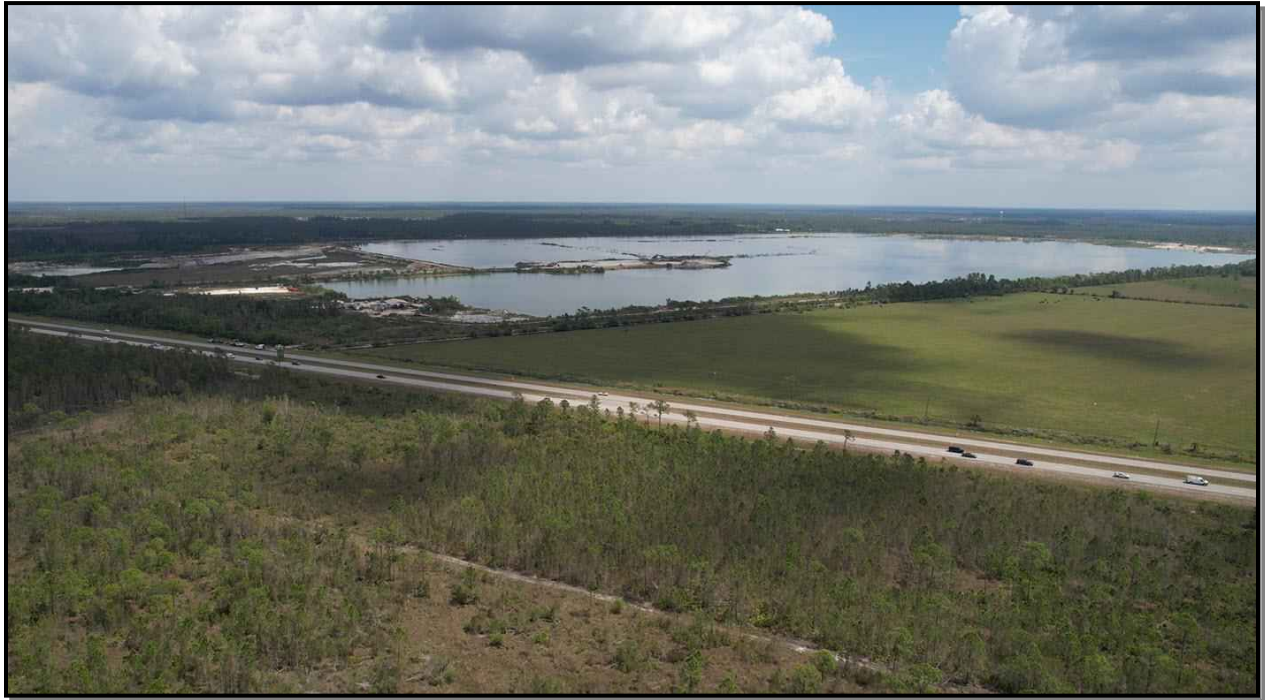
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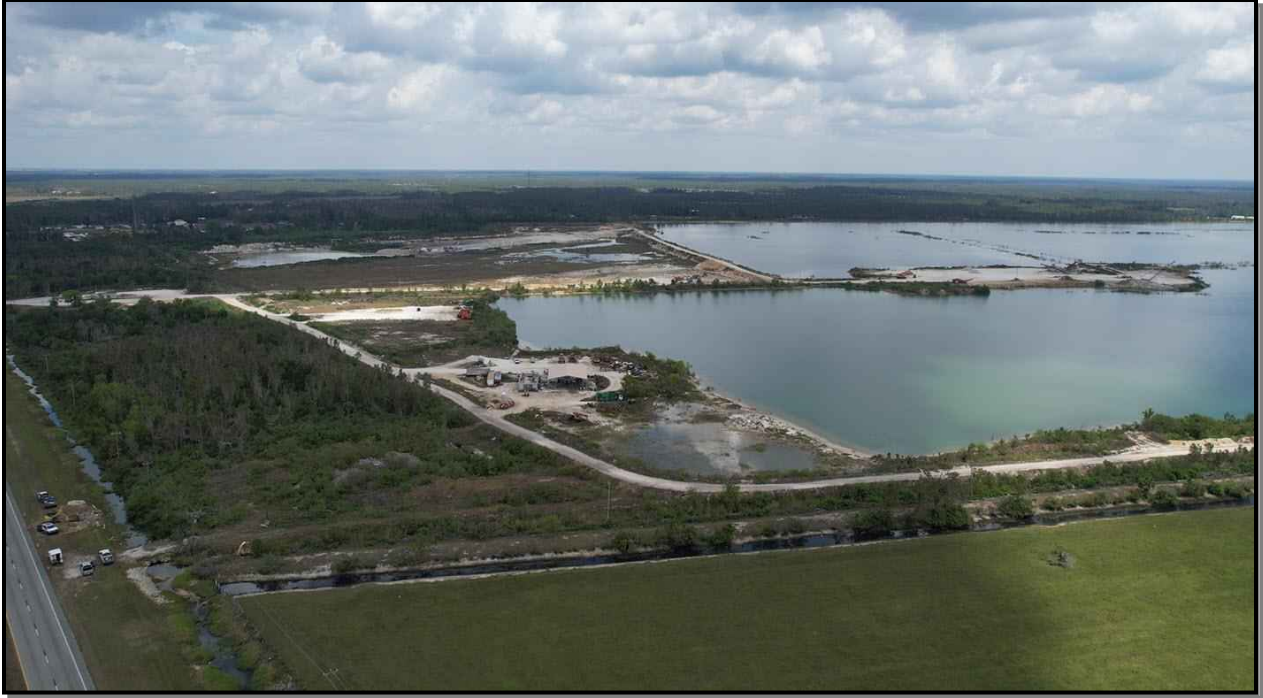
# SUBJECT PROPERTY



Aerial view from across Tamiami Trail (US Hwy 41) looking northeast across the subject property



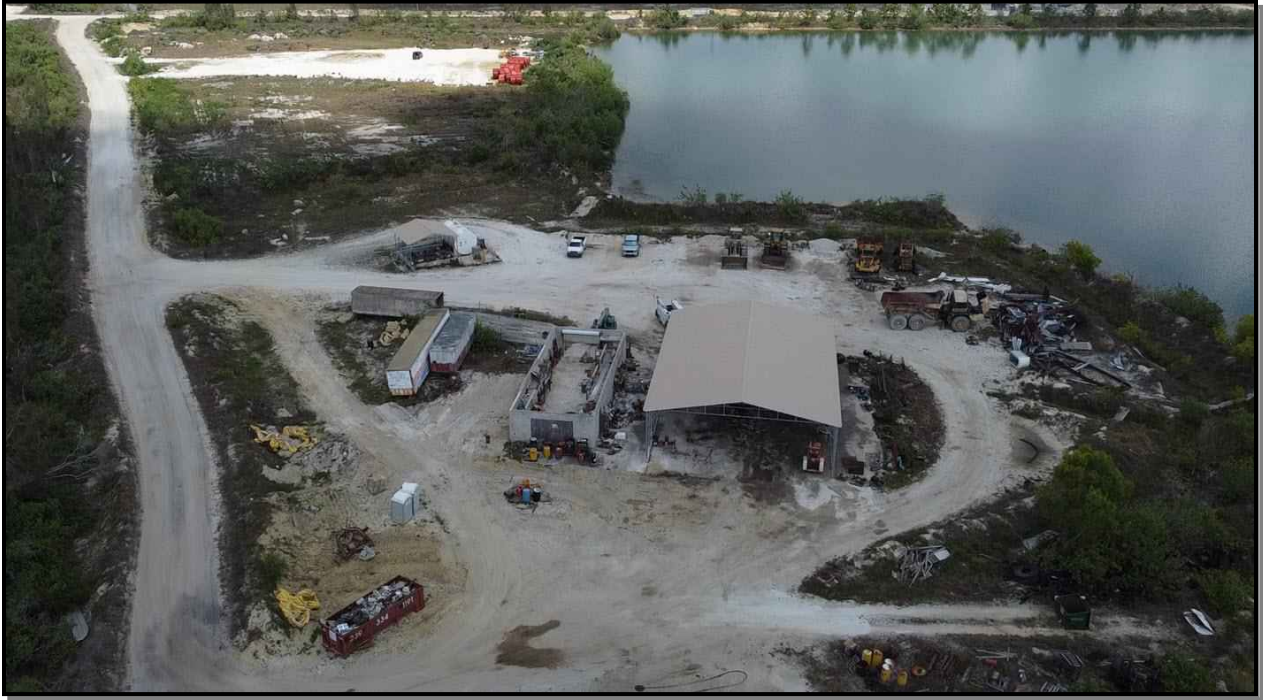
Entrance to the mine from US Highway 41 and the current excavation area



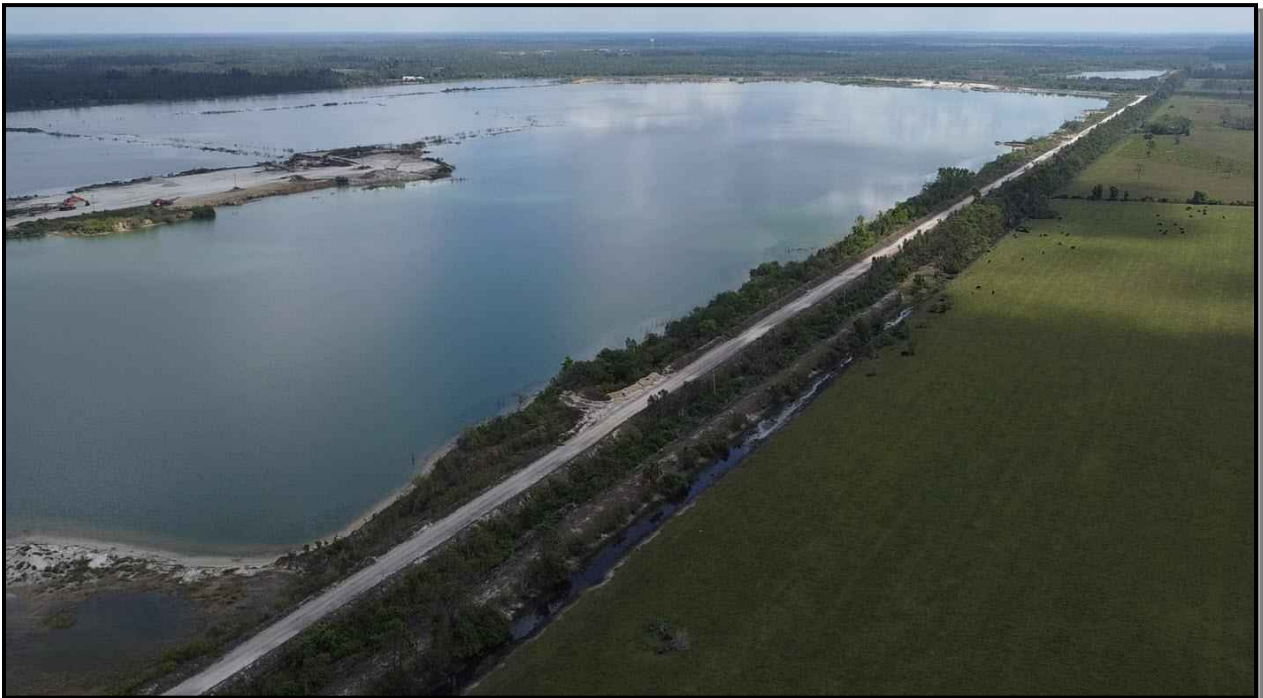
**Southwest corner of the property showing the flowage ditches, equipment yard and rock crushing area**



**Equipment maintenance yard at the southwest corner of the property**



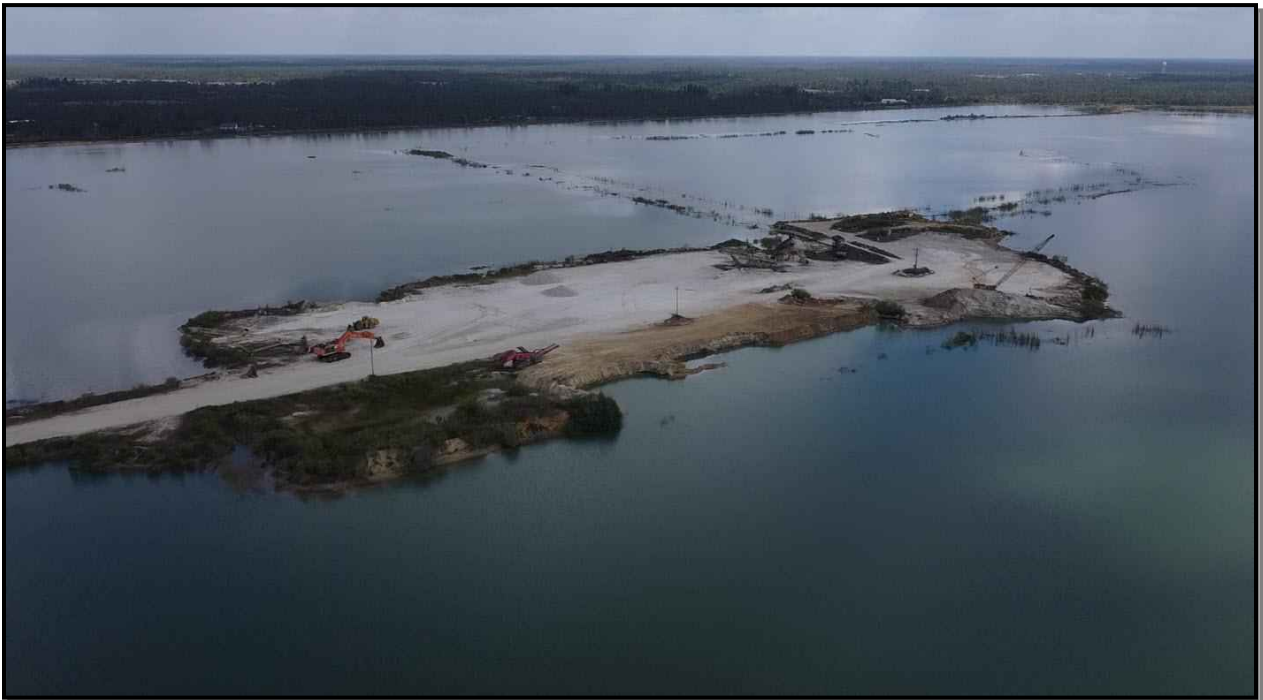
Equipment maintenance yard



Looking north and east across drainage ditches and primary excavation



Looking across the east portion of the primary pit with the smaller pit in the background



Looking northeast across the rock processing area



Looking southwest across the rock processing area with the County landfill in the distance



Looking west at the current excavation cell in the northwest corner of the property



**Current excavations**



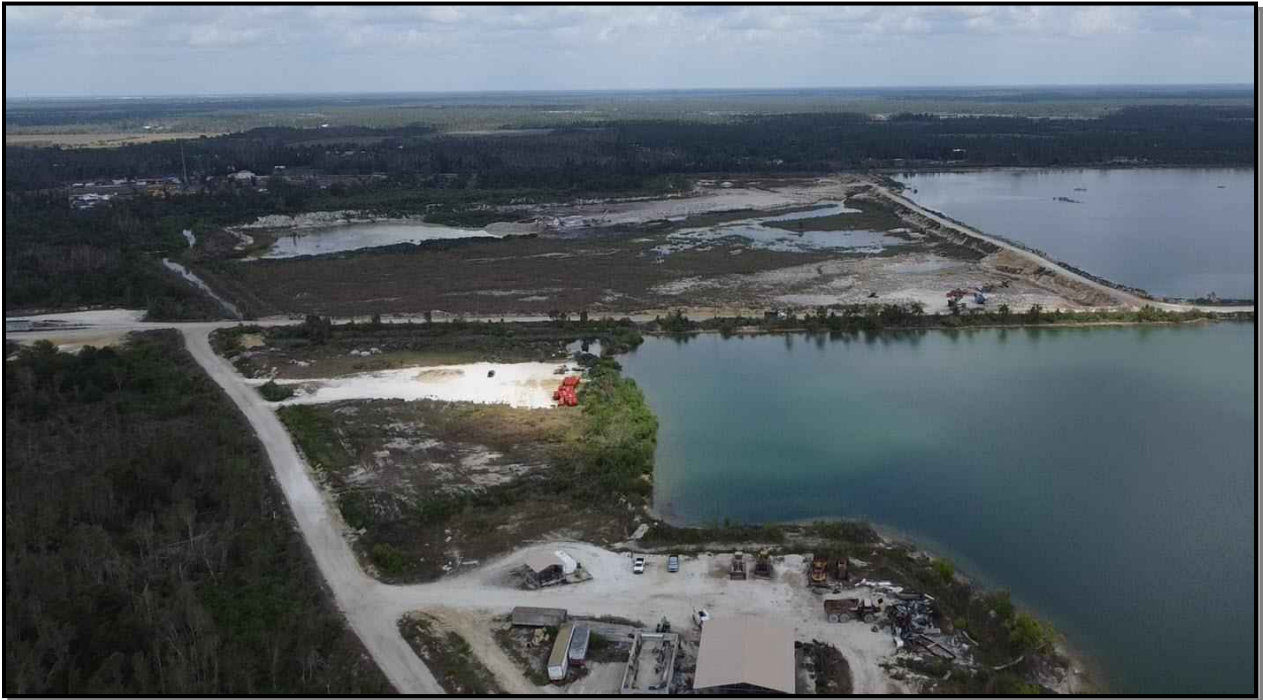
**Looking west across the primary excavation pit from southeast corner**



Looking east across the conservation area at the rear of the subject and smaller secondary pit



Looking west across northern portion of primary excavation pit



Current excavation cell viewed from south



Conservation area with secondary pit in the background looking southwest



**Conservation easement area with primary excavation pit in the background**



**Conservation area between railroad and Interstate 75 looking north, corrections facility in the distance**



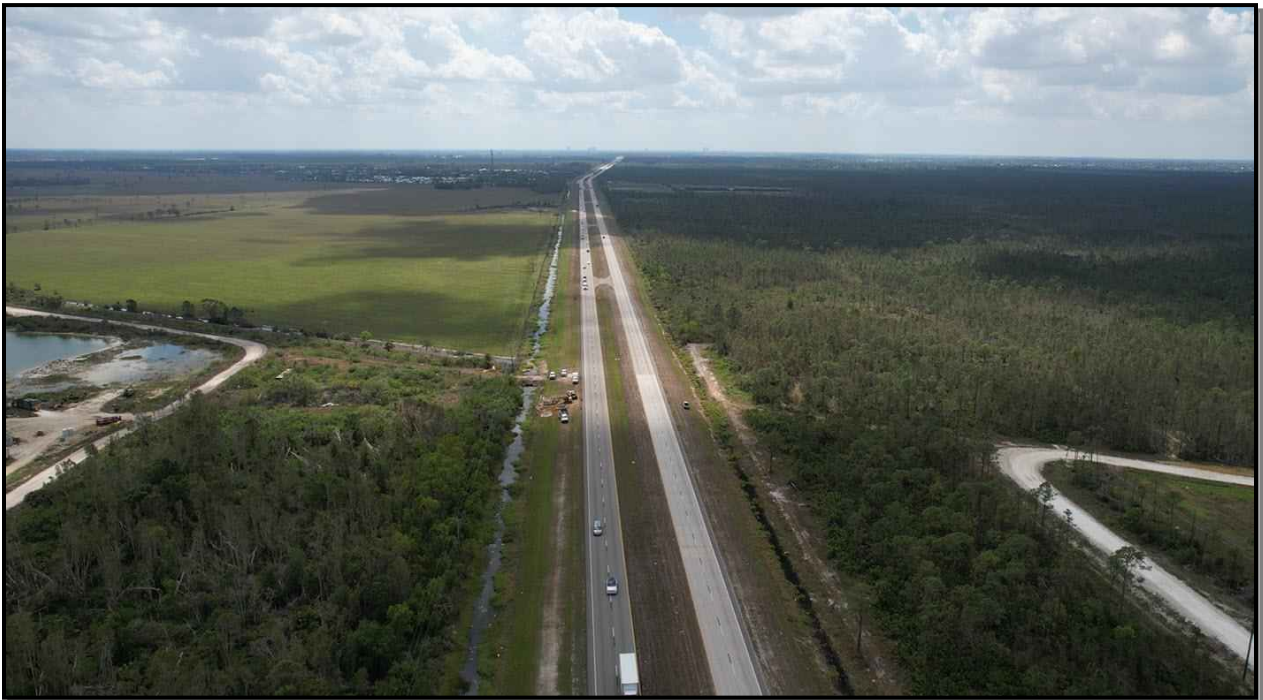
Looking south along railroad and Interstate at conservation easement area



County land fill located across US 41 from the subject



**Street Scene: Northbound along US Highway 41 from the subject**



**Street Scene: Southbound along US Highway 41 from the subject**

# SUMMARY OF SALIENT FACTS

## APPRAISAL INFORMATION

<b>Client</b>	Southwest Aggregates 14696 Olde Millpond Court Fort Myers, FL 33908
<b>Intended Users</b>	This appraisal report may only be relied upon by the client and intended user(s) named herein Southwest Aggregates, Richard Neslund and designated representatives. A secondary user may be the City of Cape Coral.
<b>Intended Use</b>	This appraisal is to be used for form an opinion of the Use Value as a Water Storage Reservoir
<b>Property Rights Appraised</b>	Value In Use- Fee Simple subject to encumbrances of record
<b>Date of Inspection</b>	Personal inspections of the property were made on August 13, 2015, July 11, 2014, February 26, 2013 and March 29, 2023. Several drive-by inspections have been made since and reviews of aerial maps have been made as well
<b>Marketing Time</b>	12 months
<b>Exposure Time</b>	12 months
<b>Owner of Record</b>	Neslund Family LTD Partnership II and B P Limited Liability Company
<b>Property Contacts</b>	Richard Neslund, property owner, and Howard DeVane, general manager of Southwest Aggregates, have been interviewed several times in the past several years.
<b>Highest and Best Use</b>	Water storage reservoir

## PROPERTY DATA

<b>Property Name</b>	Southwest Aggregates
<b>Address</b>	16470 Tamiami Trail Punta Gorda, Florida 33955
<b>Location</b>	East side of Tamiami Trail (US Highway 41) west side of Interstate 75, south side of Orange Blossom Boulevard located north of the Lee County line in Charlotte County, Florida
<b>Property Description</b>	Water Storage Reservoir
<b>County</b>	Charlotte County
<b>Parcel Number</b>	422420427001, 422421300004, 422427300001, 422427300002, 422427300003, 422428126001, 422428200001, 422428300001, 422428400001, 422429151001, 422429152001, 422429152002, 422429300001, 422429300002, 422429300003, 422429300004, 422429300005, 422429400001, 422429476003, 422430426009, 422430426010, 422430476001, 422434200001, 422435300002
<b>Census Tract No.</b>	0105.06
<b>Legal Description</b>	Metes and bounds description. Too lengthy to reproduce here. See Addenda for full legal description
<b>Site Area</b>	
<b>Excavated Mining Pits</b>	(580.00 acres)
<b>Unencumbered Uplands</b>	(75.00 acres)
<b>Conservation Easement</b>	(550.00 acres)
<b>Total</b>	(1,205.00 acres)
<b>Zoning</b>	PD-20-00003; Planned Development
<b>Future Land Use</b>	Rural Community Mixed Use
<b>Flood Status</b>	Zone D is a Special Flood Hazard Area (SFHA) with possible but undetermined flood hazards. No flood hazard analysis has been conducted. Flood insurance rates are commensurate with the uncertainty of the flood risk.

### IDENTIFICATION OF THE APPRAISAL PROBLEM

This subject of this appraisal assignment is 1,204-acre mining property that is nearing the end of its minable reserves. Based upon current demand and historical production, there are approximately five years of reserves remaining. In estimating the value of such a property, a great deal of emphasis must be placed upon the Highest and Best Use analysis in determining the types of uses that this property can be put to based up its unique set of physical and legal characteristics.

When appraising a type of property that is not commonly exchanged it may be difficult for an appraiser to determine whether or not an opinion of market value can be reasonably supported. While the subject might be considered somewhat of a limited-market property, it is our opinion that a mining property is not a "special purpose property". For a property to be considered a special purpose property, it cannot generally be converted to other uses. It must have a physical design or features particular to a specific use. A special purpose property has no market other than to an owner/user and no economically feasible alternative use.

One possible use of the former mining pits would be as a water storage reservoir. Special purpose properties like water storage reservoirs are commonly valued principally based upon the Cost Approach. The lack of local market sales of similar reservoirs is one indication that there is limited demand for such a property use. From a local perspective, there could be interest in water storage from several sources to include the Cities of Cape Coral and Fort Myers to the south and Punta Gorda and Port Charlotte to the north. Quite possibly Florida Power & Light, and of course the South Florida Water Management District could be alternate users. However, the costs associated with transporting water from this fixed location decrease the feasibility as distances increase.

Moreover, while "special purpose properties" are rarely bought and sold in the open market, it is the opinion of the appraisers that just because there is a dearth of sales within the subject's sphere of influence, there are few locally known reservoirs like the subject yet within the State of Florida and other states. While there may be some pits remaining after limerock or phosphate mining operations are complete, none appear to have the geological formation considered similar to the subject, with the likely exception of Palm Beach Aggregates. This type of use is driven by demand for water storage which has been expressed by the nearby City of Cape Coral.

Where these conditions exist, such as in the areas in and around Denver, Colorado to include Denver itself, the City of Thornton, City of Aurora, City of Westminster, City of Arvada and purchases made by the Consolidated Mutual Water Company in these areas, sales, as well as Options and purchase Agreements are numerous and, therefore, provide market data from which to estimate value. Again, simply because there have been no sales of reservoirs locally, does not mean that there is no demand for such a use.

This type of property has a limited number of potential buyers at a particular time making it a Limited-market Property. Throughout Florida there are known to be governmental, and quasi-governmental prospective users of these reservoirs. Moreover, in other arid portions of the United States, where there are former gravel pits, lakes, salt domes, dried up lake beds, and ASR's available, they have been purchased or leased in order to meet the demand for water storage. As population continues to increase in Florida, the demand for clean water grows especially south of Central Florida. If there are existing pits available and suitable for water storage, there will be market demand either now or in the future.

Real property may have both a Use Value and a Market Value. Limited-market properties may be appraised for market value based on their current use or the most likely alternative use. If a market exists for a limited-market property, the appraiser must search diligently for whatever evidence of market value is available. We have done so in this assignment by searching the entire United States for sales and leases of reservoirs and/or vessels for water storage. While Florida is fast becoming an emerging market, there are other states that have similar water storage needs where more sales and leasing activity exist.

Investment Value is defined as the value of the property to of a specific investment to a particular investor. The Investment Value really lies with the limerock excavation and production operation and not with the reservoir use, although considerable capital was required to dig and process the rock. Again, this relates more to the business than the real estate itself.

Public interest value has become a highly controversial issue in recent history. The definition of Public Interest Value is a general term covering a plethora of valuation concepts that ultimately relate to the highest and best use of the property for non-economic uses, such as preservation or conservation. The subject is not being considered for either of the aforementioned, as there are certainly economic uses of the property including residential and recreational. It is the position of the Appraisal Institute that: 1) If the purpose of an appraisal assignment is to estimate market value, then the highest and best use(s) of the property to be appraised must be economic use(s); and 2) preservation and conservation uses are not required as an alternative to be considered in the highest and best use analysis. There are economic uses of the subject that are not public interest related.

### BASIC REAL ESTATE VALUATION PRINCIPLES

The basic real estate valuation principles used in the analysis of this appraisal assignment are listed and explained as follows.

<b>Anticipation</b>	Value is created by the anticipation of benefits to be derived in the future. Value is based not on historical demand, but upon market participants perception of the future benefits of acquisition.
<b>Change</b>	The dynamic nature of social, economic, governmental, and environmental forces that influence real property value accounts for change. Sometimes change is not easily discernable. As appraisers, we must identify both current, as well as anticipated changes in the market that can influence a property's value. We have attempted to address the changes in this particular market where water storage reservoir sales are not as prevalent as they are in other markets across the nation.
<b>Supply &amp; Demand</b>	With the interaction of the four basic factors that create value and the economic principle of supply and demand, we find that the utility of the property, its relative scarcity, the desire to acquire it, coupled with the effective power to buy it, all influence the supply and demand for the property. These forces are evident as relates to the subject.
<b>Substitution</b>	This principle states that when several alternatives are available, the one with the lowest price tends to attract the greatest demand. This relates to the cost of acquiring water from other sources or constructing an alternative reservoir on another site versus the acquisition of an existing pit. Property values tend to be set by the price of cost to purchase a similar site and construct a reservoir of equivalent utility (e.g. nonporous, adjacent to a canal system, similar dynamics relating to depth that decrease water loss through evaporation) and assuming no undue cost due to delay (e.g. other financing, permits, etc.).
<b>Contribution</b>	This principle states that the value of a particular component (e.g. existing dug or proposed excavated pits) is measured in terms of its contribution to the value of the whole property. The contribution of the improvements made, especially in areas experiencing a transition, may represent an under-utilization of the land. The interim use (e.g. limerock mining operation) will continue until such time as complete or economically feasible for an alternative use.
<b>Externalities</b>	This principle states that factors extend to a property (e.g. canal system, water sheet flow, roads, utilities, proximity to a need) can have a positive influence on its value. Real estate is influenced more heavily by externalities than perhaps any other economic good, service, or commodity.

### VALUE INDICATIONS

As of March 29, 2023

<b>Cost Approach</b>	\$74,500,000	\$6,208 per Acre-foot
<b>Land Value</b>	\$14,500,000	\$12,033 per Gross Acre
<b>Sales Comparison Approach</b>	\$48,000,000	\$4,000 per Acre-foot
<b>Income Capitalization Approach</b>	\$30,900,000	\$2,575 per Acre-foot
<b>Approach Reliance</b>	<b>Income &amp; Cost</b>	
<b>Use Value</b>	<b>\$38,000,000</b>	
<b>Exposure Time (Months)</b>	12	
<b>Marketing Time (Months)</b>	12	

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**EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS**

The values presented within this appraisal report are subject to the extraordinary assumptions and hypothetical conditions listed below. Pursuant to the requirement within Uniform Standards of Professional Appraisal Practice Standards, it is stated here that the use of any extraordinary assumptions and/or hypothetical conditions might have affected the assignment results.

**Extraordinary Assumptions**

- The total water storage capacity of the subject mining pits as provided by Southwest Engineering and Design, the engineering company is reported to be 12,000 acre-feet. Our value estimate is contingent upon this capacity. We reserve the right to revise our value estimate in the event that the total capacity differs from what has been used herein.
- It is assumed the required permits necessary for the mined pits to operate as fully functional water storage reservoirs capable for storage and discharging of water will be forthcoming from the requisite agencies and that the reservoir use is a legally permissible use of the property.
- Sizes of the overall site, lakes and conservation areas are based on information obtained in the public records, County Property Appraiser's website and information provided by the client. If more accurate information becomes available regarding the size of the property or allocation of lands, our value estimates may be subject to revision.

**Hypothetical Conditions**

- In the preparation of the Cost Approach, a hypothetical condition that the subject site is unmined was used to determine the total cost to acquire and develop a water storage reservoir on a property where none already exists.
-

## PROPERTY TRANSACTION HISTORY

In the absence of a title search or chain of title, the subject property sales history has been determined from the Charlotte County Tax Roll and Official Records. After a search of the public records, we have found no arm's length transactions involving this property in the past five-year reporting period. The property was assembled by the current owners over several years beginning in 1996. The most recent transaction was in 2009. Southwest Aggregates has a royalty agreement with the property owner, Neslund Family Partnership, to mine the property. There is also an agreement with the City of Cape Coral to supply raw water via roadside ditch to the freshwater canals west of Gator Slough. The property is not currently listed for sale and we were not apprised of any contracts or offers to lease or purchase the property.

There have been no other known transactions of the subject property within the three years prior to the effective date of this appraisal.

## SCOPE OF WORK

The scope of work best defines the needs of the client and intended users of the report and dictates what factors an appraiser considered during the valuation process. The scope of work summarized below has been deemed acceptable as it meets or exceeds both the expectations of parties who are regularly intended users for similar assignments and what an appraiser's peers' actions would be in performing the same or a similar assignment. As such, the scope of work summarized below is deemed appropriate for this assignment based on its parameters and will produce credible assignment results. Additional scope details are included in appropriate sections of this report.

SCOPE OF THE INVESTIGATION									
<b>General and Market Data Analyzed</b>	<ul style="list-style-type: none"> <li>▪ Regional economic data and trends</li> <li>▪ Market analysis data specific to the subject property type</li> <li>▪ Published survey data</li> <li>▪ Neighborhood demographic data</li> <li>▪ Comparable cost, sale, rental, expense, and capitalization rate data</li> <li>▪ Floodplain status</li> <li>▪ Zoning and Future Land Use information</li> <li>▪ Property Appraiser and Tax Collector's information</li> <li>▪ Interviewed professionals knowledgeable about the subject's property type and market</li> </ul>								
<b>Inspection Details</b>	<p>The property was personally inspected and photographed by Robert C. Hicks, MAI and Kyle A. Catlett, MAI on March 29, 2023. In the preparation of this report, the appraisers interviewed the owner of the property, Richard Neslund, the general manager of Southwest Aggregates, Howard DeVane, the mining engineer, Gary Bayne, the City of Cape Coral Utilities Director, Jeff Pearson and the City of Cape Coral Real Estate Director, Dawn Andrews.</p>								
<b>Property Specific Data Requested and Received</b>	<table border="1"> <thead> <tr> <th>PROPERTY DATA RECEIVED</th> </tr> </thead> <tbody> <tr> <td>Historical operating statements</td> </tr> <tr> <td>Leases</td> </tr> <tr> <td>Site plan</td> </tr> <tr> <td>Phase 1 ESA</td> </tr> <tr> <td>Previous appraisal</td> </tr> <tr> <td>Engineering Documents</td> </tr> <tr> <td>Conceptual Development Plan</td> </tr> </tbody> </table>	PROPERTY DATA RECEIVED	Historical operating statements	Leases	Site plan	Phase 1 ESA	Previous appraisal	Engineering Documents	Conceptual Development Plan
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Title report									
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**Data Sources**

DATA SOURCES	
Site Size	Public records, provided drawings
Building Size	Property Contact
Tax Data	Property Appraiser/Tax Collector
Zoning Information	Zoning and Planning Dept
Flood Status	FEMA
Demographics Reports	Spotlight
Comparable Land Sales	Local brokerage community
Construction Cost Data	Government sources
Comparable Improved Sales	Local brokerage community
Comparable Improved Leases	Government sources
Subject Historical Expenses	Property Contact

**VALUATION METHODOLOGY****Most Probable Buyer**

To apply the most relevant valuation methods and data, the appraiser must first determine the most probable buyer of the subject property. Based on the analyses presented, the most probable buyer of the subject property would be an Owner-User or Government Entity.

**Valuation Methods Utilized**

This appraisal employs all three typical approaches to value: the Cost Approach, the Sales Comparison Approach, and the Income Capitalization Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that all approaches would be considered meaningful and applicable in developing a credible value conclusion.

**DEFINITIONS**

This appraisal estimates the Use Value in the limited-market property described herein as a water storage reservoir. This appraisal is based on the definition of Use Value set forth by The Dictionary of Real Estate Appraisal, 6th Edition.

**Value in Use or Use Value**

“The value of a property assuming a specific use, which may or may not be the property’s highest and best use on the effective date of the appraisal. Value in use may or may not be equal to market value, but is different conceptually.”

**LEVEL OF REPORTING DETAIL**

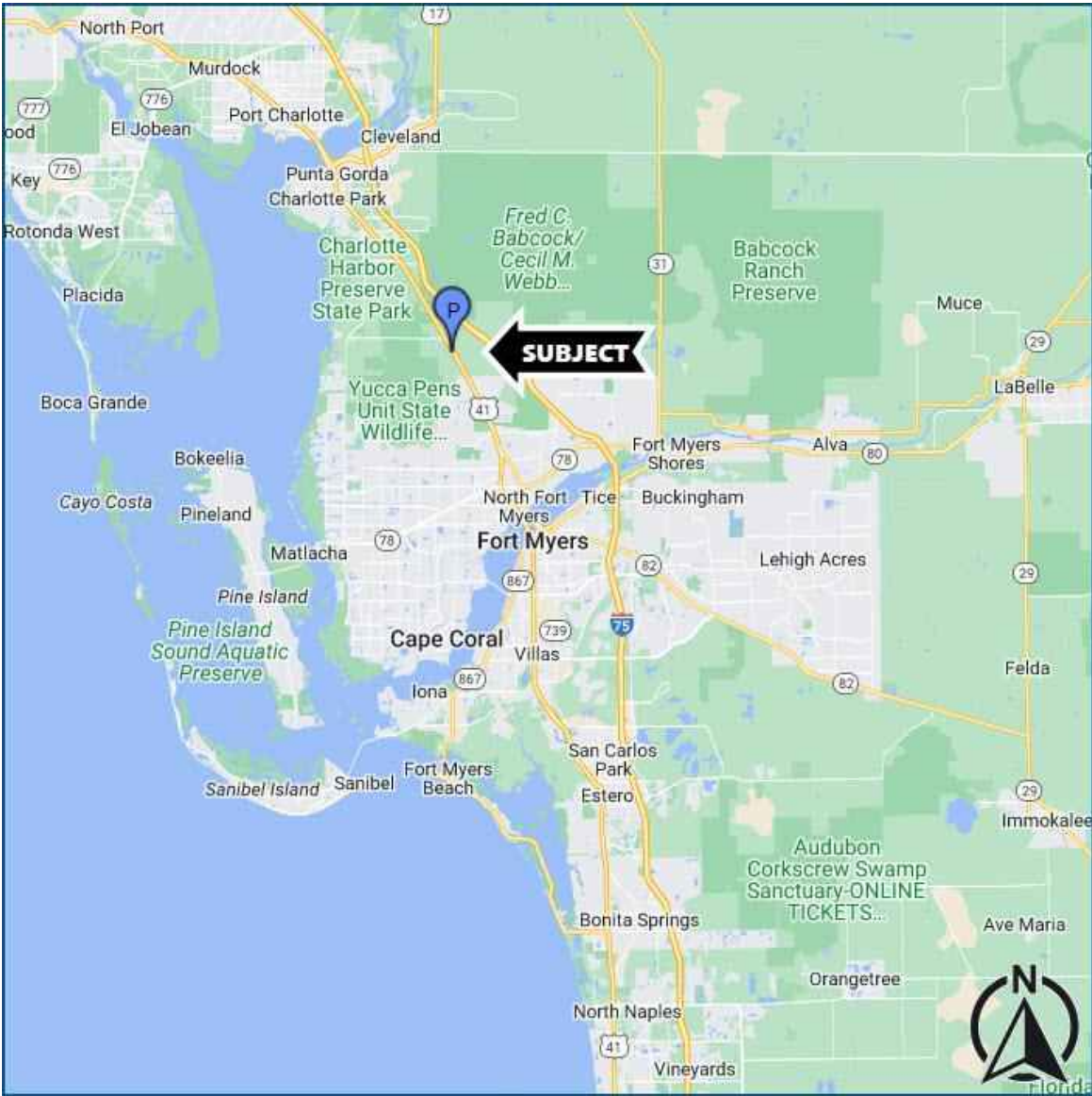
Standards Rule 2-2 (Real Property Appraisal, Reporting) contained in USPAP requires each written real property appraisal report to be prepared as either an Appraisal Report or a Restricted Appraisal Report.

This report is prepared as an **Appraisal Report**. An Appraisal Report must at a minimum summarize the appraiser’s analysis and the rationale for the conclusions.

# REGIONAL DESCRIPTION


The short- and long-term value of real estate is influenced by a variety of factors and forces that interact within a given region. Regional analysis serves to identify those forces that affect property value, and the role they play within the region. The four primary forces that influence real property value include environmental characteristics, governmental forces, social factors, and economic trends. These forces determine the supply and demand for real property, which, in turn, affect market value.

## REGIONAL MAP






## ECONOMIC & DEMOGRAPHIC PROFILE

The following profile of the Cape Coral-Fort Myers, FL MSA was provided by Economy.com, a leading provider of economic, financial, and industry information.

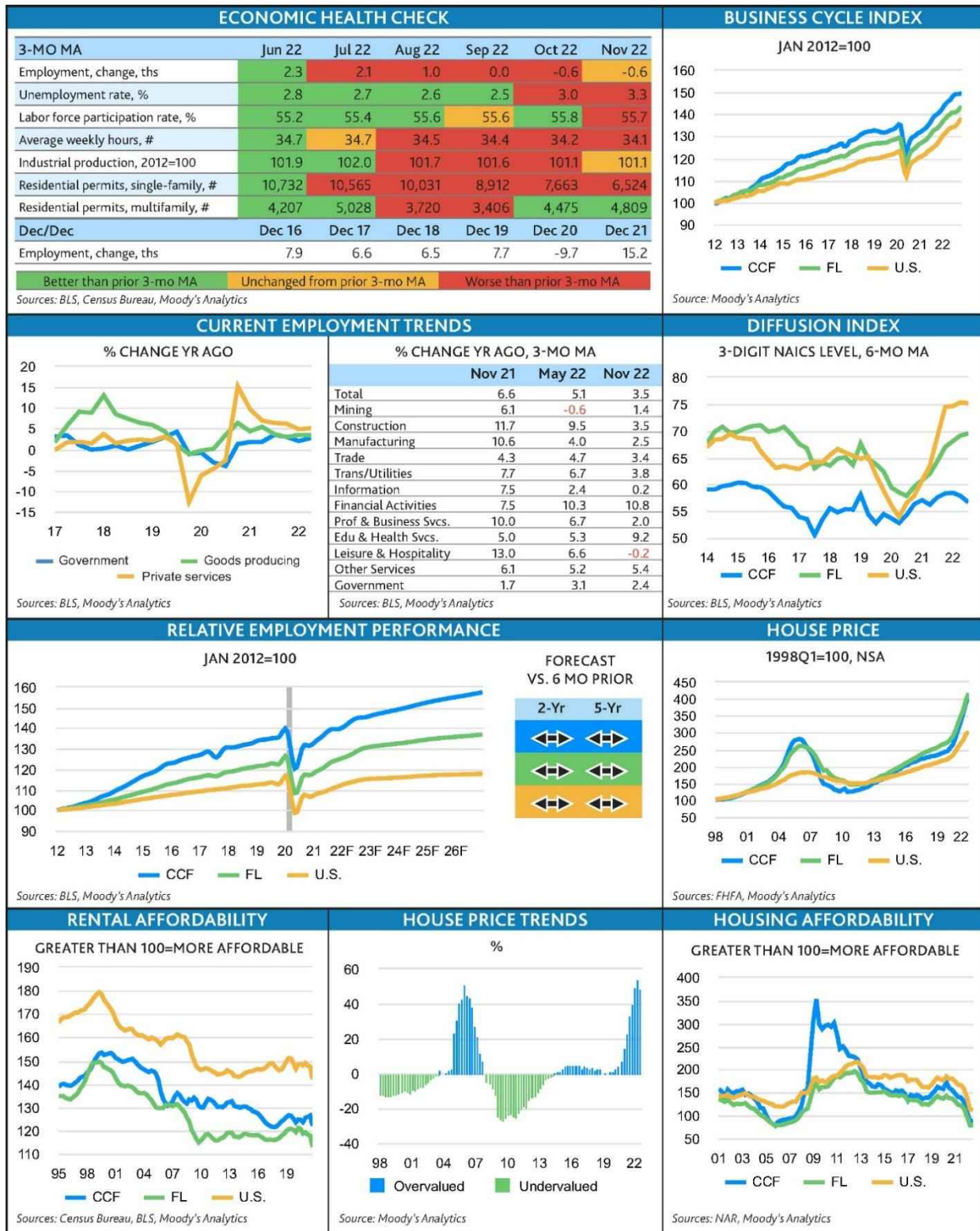


# CAPE CORAL-FORT MYERS FL

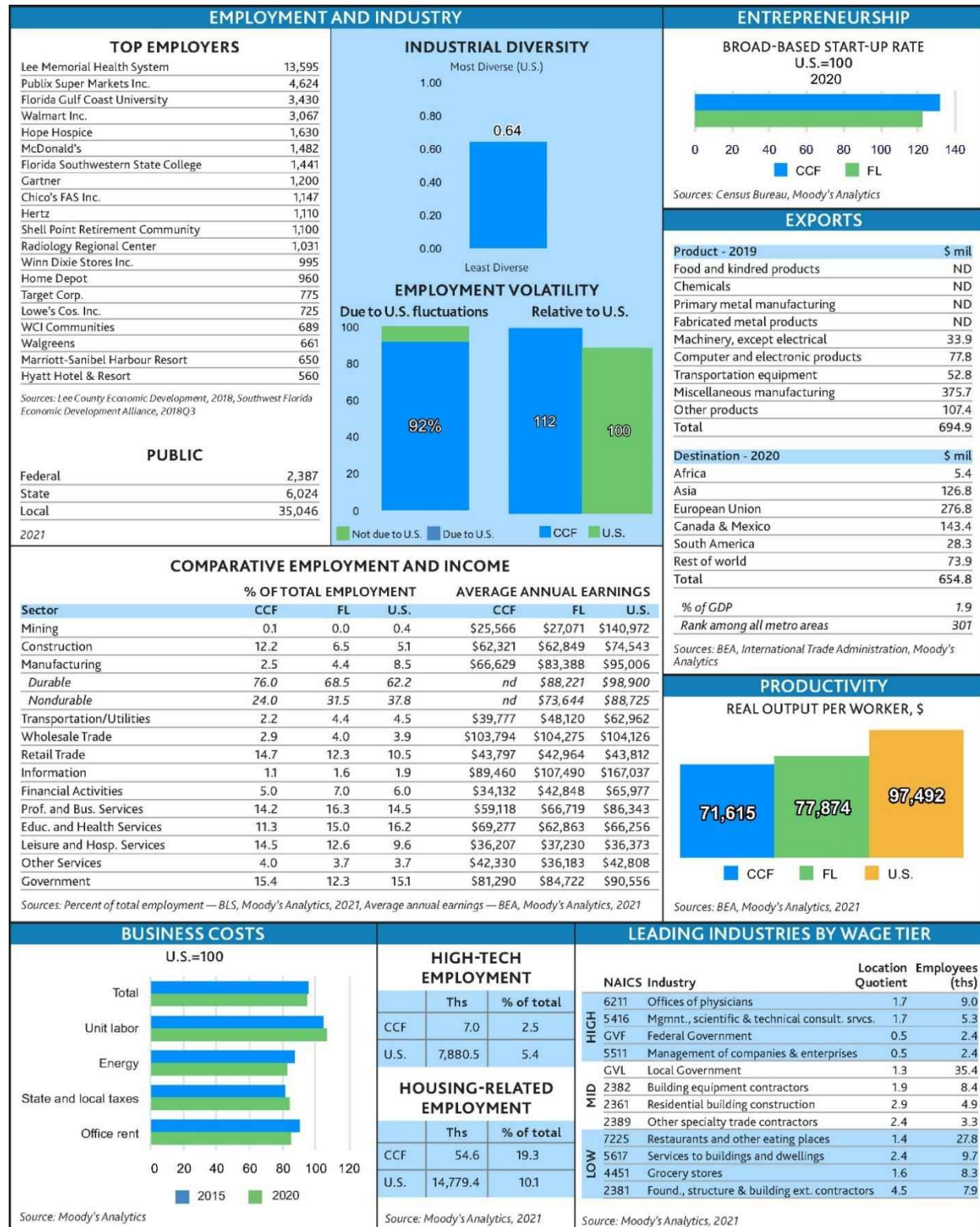
Data Buffet® MSA code: IUSA\_MCCF

ECONOMIC DRIVERS	EMPLOYMENT GROWTH RANK	RELATIVE COSTS	VITALITY	QUALITY								
<div style="display: flex; justify-content: space-around;"> <div style="text-align: center; border: 1px solid black; padding: 5px;">   <b>RETIREE HAVEN</b> </div> <div style="text-align: center; border: 1px solid black; padding: 5px;">   <b>MEDICAL CENTER</b> </div> <div style="text-align: center; border: 1px solid black; padding: 5px;">   <b>TOURIST DESTINATION</b> </div> </div>	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center; border: 1px solid black; padding: 5px;"> <b>2021-2023</b>  <span style="font-size: 2em; font-weight: bold;">31</span>                      1st quintile  <small>Best=1, Worst=410</small> </div> <div style="text-align: center; border: 1px solid black; padding: 5px;"> <b>2021-2026</b>  <span style="font-size: 2em; font-weight: bold;">9</span>                      1st quintile  <small>Best=1, Worst=410</small> </div> </div>	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center; border: 1px solid black; padding: 5px;"> <b>LIVING</b>  <span style="font-size: 2em; font-weight: bold;">105%</span>  <small>U.S.=100%</small> </div> <div style="text-align: center; border: 1px solid black; padding: 5px;"> <b>BUSINESS</b>  <span style="font-size: 2em; font-weight: bold;">95%</span>  <small>U.S.=100%</small> </div> </div>	<div style="text-align: center; border: 1px solid black; padding: 5px;"> <b>RELATIVE</b>  <span style="font-size: 2em; font-weight: bold;">0.73</span>                      Rank: 28  <small>Best=1, Worst=403</small> </div>	<div style="text-align: center; border: 1px solid black; padding: 5px;"> <b>OF LIFE</b>  <span style="font-size: 2em; font-weight: bold;">69</span>  <small>Best=1, Worst=378</small> </div>								
BUSINESS CYCLE STATUS		ANALYSIS										
		<p><b>Recent Performance.</b> Abstracting from the aftereffects of Hurricane Ian, Cape Coral-Fort Myers is holding steady. After blowing past its pre-pandemic highs for employment well before even fast-growing Florida, the metro area was largely flat last year. The hurricane led to a temporary decline in consumer industries during the fall, while unemployment spiked as workers were displaced. Even before Ian struck, house prices had begun to decline, reflecting a correction on the heels of one of the nation's fastest growth rates through last summer.</p> <p><b>Hurricane.</b> The reverberations from Hurricane Ian color the near-term outlook for CCF while creating some long-term risks. The storm made landfall in Lee County in late September and profoundly affected the metro area. Based on figures reported by the county, around one in 10 homes may have suffered significant damage. Combined with weeks of disruptions, including school closures, this suggests a multibillion-dollar price tag. While the labor market was dealt a modest, but fleeting, setback, the toll on productivity was likely more severe given disruptions to buildings, infrastructure and power. Rebuilding efforts will provide a boost to economic activity, but the long-term implications are murkier. Property insurance premiums have risen sharply statewide and are already nearly triple the national average, according to the Insurance Information Institute. More frequent and severe storms will push costs even higher, eroding housing affordability and potentially driving reduced migration.</p> <p><b>Tourism.</b> Consumer industries will get back on track following a hurricane-disrupted autumn. Employment in the outside leisure/hospitality and retail industries has slumped in the aftermath of Ian, which is especially painful given a combined share of employment that ranks second only to Las Vegas among the 100 largest metro areas. While this will mostly prove a temporary blip, reduced lodging capacity is a concern. Hotels have resorted to layoffs since</p>										
<h3>STRENGTHS &amp; WEAKNESSES</h3>		<p>the hurricane, with the Pink Shell Resort in Fort Myers Beach cutting 200 jobs on the heels of severe damage. The loss of room inventory comes at a particularly inopportune time. Last year's peak tourist season brought a sharp uptick from 2020 and 2021 in the number of visits, but the figure remained well below pre-pandemic levels. However, occupancy and room rates easily exceeded those figures, suggesting insufficient supply. A reduction in available rooms will weigh on total visits and push prices even higher, likely compelling would-be visitors to look elsewhere.</p> <p><b>Demographics.</b> Strong population growth will remain a key advantage, although the ground is shifting under CCF. The traditional influx of retirees has slowed in recent years, owing in part to the peak of the baby boomer wave having crested. While this is a concern, middle-age and older workers have been drawn to the metro area's weather and lifestyle as remote work eliminates constraints. This has kept in-migration of adults in their prime working years close to their post-pandemic high even as seniors move in more slowly. The changing composition should help bolster spending and support long-term growth in housing. On the other hand, an outside healthcare presence that caters to retirees could face headwinds if the population begins to skew younger, increasing the onus on leisure and retail to employ non-college-educated workers.</p> <p><b>Cape Coral-Fort Myers will bounce back from hurricane-induced weakness and become a strong performer in 2023. Rebuilding will boost construction, while tourism and in-migration power consumer industry growth. Longer term, an increased share of working-age residents bodes well, but the threat of increasingly severe hurricanes represents a literal and figurative dark cloud.</b></p>										
<p><b>STRENGTHS</b></p> <ul style="list-style-type: none"> <li>» Very high economic vitality.</li> <li>» Favorable migration trends.</li> <li>» Large retiree population and tourism support consumer industries.</li> </ul> <p><b>WEAKNESSES</b></p> <ul style="list-style-type: none"> <li>» Retiree flows and tourism sensitive to U.S. economy; volatility well above average.</li> <li>» Few jobs in tech and other higher-value-added industries.</li> <li>» Low labor force quality.</li> </ul>		<p><b>Demographics.</b> Strong population growth will remain a key advantage, although the ground is shifting under CCF. The traditional influx of retirees has slowed in recent years, owing in part to the peak of the baby boomer wave having crested. While this is a concern, middle-age and older workers have been drawn to the metro area's weather and lifestyle as remote work eliminates constraints. This has kept in-migration of adults in their prime working years close to their post-pandemic high even as seniors move in more slowly. The changing composition should help bolster spending and support long-term growth in housing. On the other hand, an outside healthcare presence that caters to retirees could face headwinds if the population begins to skew younger, increasing the onus on leisure and retail to employ non-college-educated workers.</p> <p><b>Cape Coral-Fort Myers will bounce back from hurricane-induced weakness and become a strong performer in 2023. Rebuilding will boost construction, while tourism and in-migration power consumer industry growth. Longer term, an increased share of working-age residents bodes well, but the threat of increasingly severe hurricanes represents a literal and figurative dark cloud.</b></p>										
FORECAST RISKS		<p><b>Adam Kamins</b> 1-866-275-3266                  December 2022 <a href="mailto:help@economy@moodys.com">help@economy@moodys.com</a></p>										
<b>SHORT TERM</b> ↓	<b>LONG TERM</b> ↓											
<b>RISK EXPOSURE 2022-2027</b>												
<span style="font-size: 2em; font-weight: bold;">19</span> 1st quintile <small>Most=1 Least=403</small>												
<b>UPSIDE</b>												
<ul style="list-style-type: none"> <li>» In-migration of more working-age adults bolsters incomes and entrepreneurship.</li> <li>» Construction costs moderate faster, housing starts pick up again.</li> </ul>												
<b>DOWNSIDE</b>												
<ul style="list-style-type: none"> <li>» High interest rates and rising insurance costs cause house prices to crater.</li> <li>» Inflation persists for longer than expected, hurting fixed-income retirees and weighing on spending.</li> </ul>												
MOODY'S RATING												
<span style="font-size: 2em; font-weight: bold;">Aa2</span> COUNTY AS OF AUG 30, 2019												
2016	2017	2018	2019	2020	2021	INDICATORS	2022	2023	2024	2025	2026	2027
25.7	26.4	27.3	28.2	27.8	30.3	Gross metro product (C12\$ bil)	31.4	32.3	33.6	35.2	36.9	38.6
5.3	2.5	3.6	3.5	-1.7	9.2	% change	3.4	3.0	4.1	4.7	4.7	4.6
257.4	263.5	271.2	278.5	267.6	282.7	Total employment (ths)	296.3	304.1	310.7	317.1	322.1	327.6
4.5	2.4	2.9	2.7	-3.9	5.7	% change	4.8	2.6	2.2	2.1	1.6	1.7
4.7	4.2	3.6	3.2	8.0	4.2	Unemployment rate (%)	3.0	4.1	4.3	3.9	4.1	4.1
7.3	5.8	5.1	6.7	6.0	9.1	Personal income growth (%)	3.7	7.2	5.6	5.2	5.8	5.6
53.4	55.1	58.1	61.8	63.3	66.3	Median household income (\$ ths)	68.1	70.5	72.5	74.5	77.1	79.7
722.6	740.0	754.5	770.6	782.2	795.1	Population (ths)	810.9	827.4	842.2	856.1	870.3	885.4
3.3	2.4	2.0	2.1	1.5	1.7	% change	2.0	2.0	1.8	1.7	1.7	1.7
23.1	18.0	15.2	17.2	13.7	16.1	Net migration (ths)	18.4	18.4	16.9	16.1	16.5	17.6
4,092	4,841	5,803	5,633	6,828	11,020	Single-family permits (#)	9,093	6,204	6,582	7,478	7,801	7,728
1,325	2,113	3,918	3,472	3,845	2,374	Multifamily permits (#)	4,535	4,733	4,153	3,667	3,110	2,673
221.7	237.9	250.0	258.6	272.8	330.9	FHFA house price (1995Q1=100)	431.5	438.4	420.4	411.7	415.1	422.2

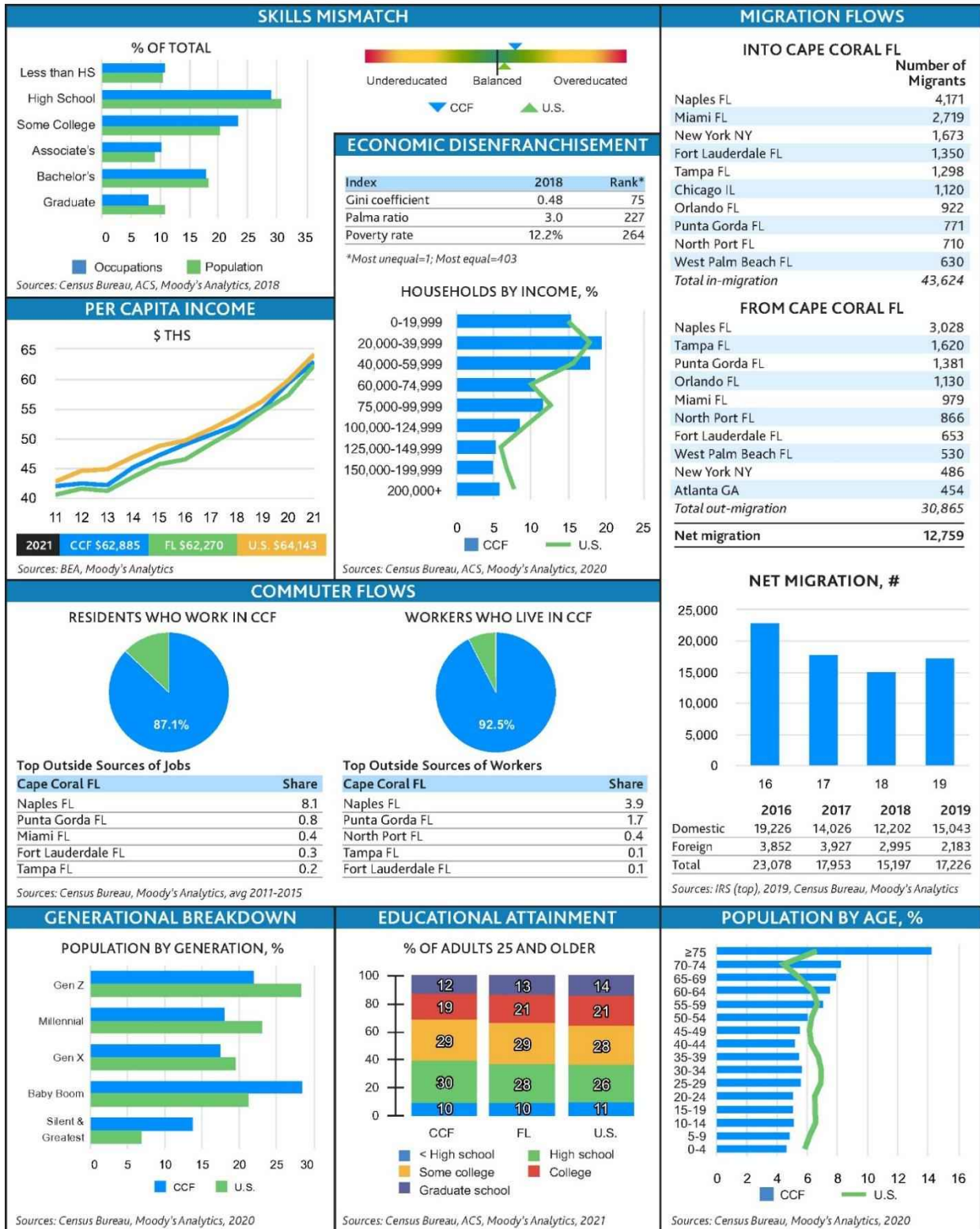
PRÉCIS® U.S. METRO • Cape Coral-Fort Myers FL



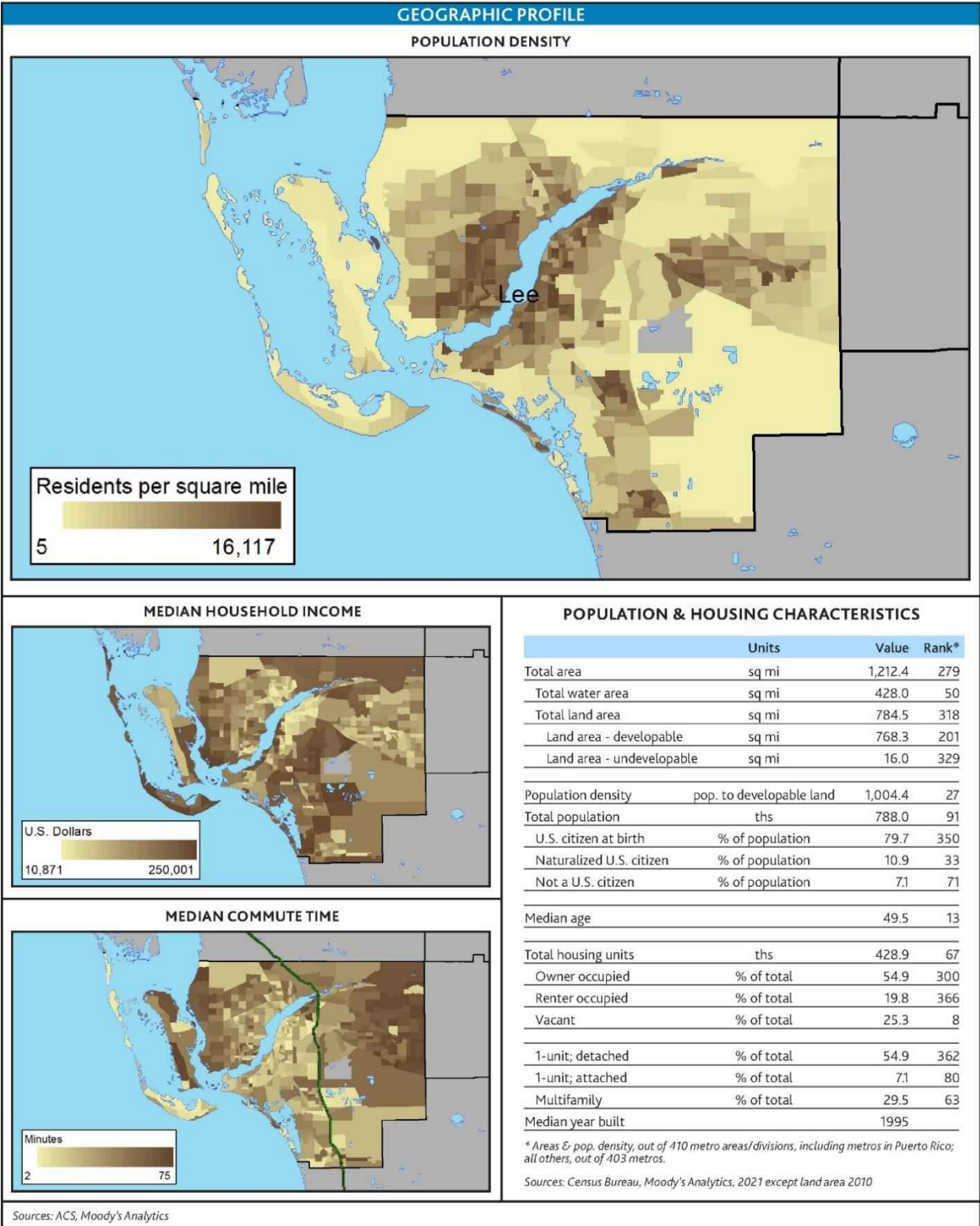
PRÉCIS® U.S. METRO • Cape Coral-Fort Myers FL



PRÉCIS® U.S. METRO • Cape Coral-Fort Myers FL



PRÉCIS® U.S. METRO • Cape Coral-Fort Myers FL

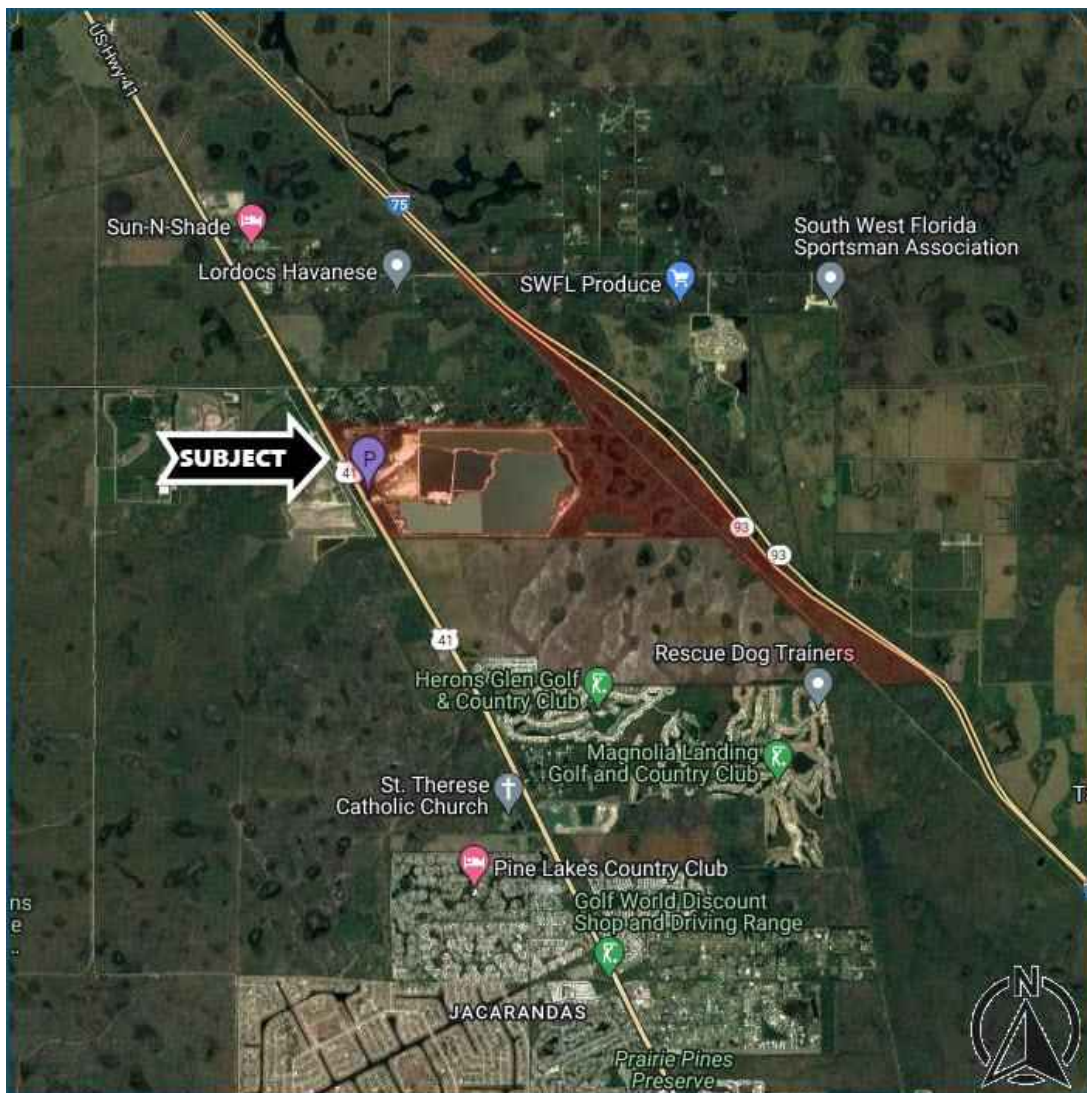


# NEIGHBORHOOD DESCRIPTION

## INTRODUCTION

A market area is the geographic area in which the subject property competes for the attentions of market participants; the term broadly defines an area containing diverse land uses. Market areas are defined by a combination of factors including physical features the demographic and socioeconomic characteristics of the residents or tenants, the condition of the improvements and land use trends. Market area analysis focuses on the identification of boundaries and the social, economic, governmental, and environmental influences that affect the value of real property within those boundaries. In conducting market area analysis, the competitive supply and demand for the subject property is more directly addressed.

The purpose of a market area analysis is to provide a bridge between the study of general influences on all property values and the analysis of a particular subject. Market area boundaries are identified by determining the area in which the four forces that affect value (social, economic, governmental, and environmental) operate in the same way they affect the subject property. Interaction of the various components influencing these four forces often results in the dissimilarities regarding the length of time between the stages of a market area's life cycle.



## GENERAL DATA

<b>Neighborhood Boundaries</b>	North - Bermont Road (CR 74) South - Del Prado Boulevard/ Mellow Drive (Lee County) East - State Road 31 West - Burnt Store Road / CR 765
<b>Predominant Development</b>	This is a rural area bisected by US Highway 41 and Interstate 75 that is primarily an agricultural area of ecologic significance.
<b>Percent Built-Up</b>	10%-15%, the Babcock-Webb Wildlife Management Area comprises a large portion of the neighborhood.
<b>Growth Rate</b>	Slow
<b>Property Values</b>	Property values in the subject's immediate are beginning to stabilize and increase slightly after a long period of decline.
<b>Supply &amp; Demand</b>	There are vacant tracts of land available for sale in this area, and several platted residential subdivisions with paved roads and utilities that have been mostly undeveloped, indicating greater supply than demand.
<b>Marketing Time</b>	Marketing times for properties depend on the seller's expectations in the current market, the property type, and the location. These generally have been ranging from 12 to 18 months, if properties are reasonably priced.  A mixture of pastureland, residential, mobile home park, mining, parks and recreation, conservation and government lands on the interior with a few commercial uses along Tamiami Trail.
<b>Change in Utilization</b>	Eventually more residential development will occur in the developable areas of the neighborhood as the nearby areas are built out and the infrastructure improves. However, this is not likely in the near-term foreseeable future.
<b>Area Reputation</b>	Fred C. Babcock / Cecil B. Webb ("Babcock-Webb") Wildlife Management Area, a 65,758-acre preserve, including the 14,577-acre Yucca Pens Unit is surrounded by residential development, citrus groves, and improved pasture. Babcock-Webb is among the last undeveloped expanses of hydric (wet) pine flatwoods in southwest Florida. The area is primarily known as a rural wetlands preservation area.

## PHYSICAL CHARACTERISTICS

<b>Location</b>	The neighborhood is in an unincorporated portion of southwest Charlotte County, situated southeast of Port Charlotte and Punta Gorda, north of Cape Coral and northeast of Fort Myers.
<b>Linkages</b>	<u>North/South</u> Interstate 75, US 41 (Tamiami Trail), State Road 31, and County Road 765 (Burnt Store Road)  <u>East/West</u> Belmont Road, Truckers Grade Boulevard, Zemel Road, Del Prado Boulevard, Mellow Drive

<b>Residential Developments</b>	Sun & Shade Campground, Tropical Palms Mobile Home Park, Raintree RV Resort, Heron's Glen Subdivision, Magnolia Landing Subdivision, Pinelakes Subdivision, Fountainview RV Park, Burnt Store Colony Mobile Home Park
<b>Adequacy of Utilities</b>	Overall, the following services are provided. Electric: Florida Power & Light, Lee County Electric Cooperative Natural Gas: TECO Telephone: Embarq, Comcast, Vontage Water & Sewer: Florida Water Services, Charlotte County Utilities, City of Punta Gorda, Englewood Water District, Charlotte Harbor Water Association. There are no public water or sewer services in the area of the subject property and throughout most of the subject neighborhood. Well and septic systems are used in this area.
<b>Commercial Developments</b>	Young Trucking, Burnt Store Auto and Trailer, Hubcap and Wheel of Charlotte, Horner's Auto Repair, Camper Depot RV, Skip Eppers, Southwest Aggregates, Stone Factory, Zemel Road Landfill, St. Therese Catholic Church, Fairway Lakes Country Club, Holy Trinity Presbyterian Church, Grace Baptist Temple, Publix Supermarket at Del Tura Plaza, Bank of America, Del Tura Country Club, Great Western Auto Upholstery, Custom Carts Inc, Mader Electric Motors, Time Warner Cable, Pine Shadows Airpark
<b>General Appearance</b>	Fair to Average
<b>Appeal to Market</b>	Fair to Average, remote

## SOCIAL CHARACTERISTICS

<b>Population</b>	The 2016 population of Charlotte County was 178,465 with an expected growth to 176,300 in 2020. Within the subject census tract area, the population is 2,353.
<b>Education Levels</b>	7% - Not a High School Graduate 36% - Graduate of High School 45% - Attended Some College 13% - College Graduate 7% - Graduate Degree
<b>Employment Types</b>	32% - Sales 20% - Service 16% - Blue Collar 11% - Manager/Professional 2% - Skilled Labor 2% - Administrative 1% - Technical 1% - Farming
<b>Nuisances &amp; Hazards</b>	Rock mining, Zemel Road Landfill, Charlotte Correctional Institute, occasional flooding, lack of public utilities
<b>Support Services</b>	Limited and generally located along Tamiami Trail.

## ECONOMIC CHARACTERISTICS

<b>Predominant Ownership Type</b>	Single family residential, and a mix of owner user and leased fee for commercial, industrial and office uses.
<b>Property Rent Levels</b>	Below average for the county
<b>Property Value Levels</b>	Below average for the county
<b>Vacancy Rates For Properties</b>	Average
<b>Effective Ages of Properties</b>	New to 50 years
<b>Changes in Property Use</b>	Unlikely in the near-term foreseeable future

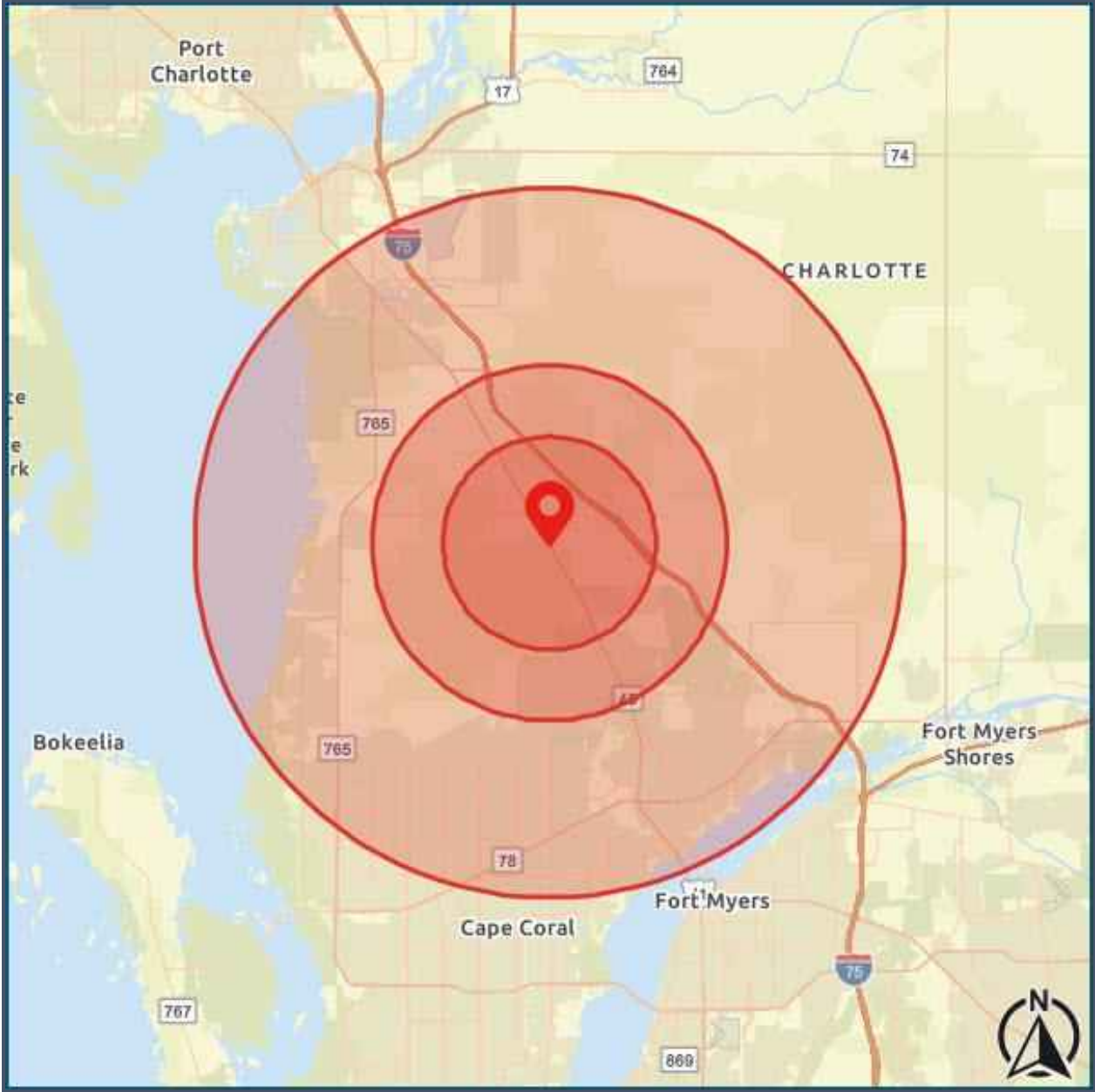
## GOVERNMENTAL CONSIDERATIONS

<b>General Land Use Plan</b>	The Future Land Use designations in this area include Residential, Agricultural, Suburban, Community Suburban.
<b>Tax Burden</b>	Typical for this area of Charlotte County.
<b>Quality of Support Facilities</b>	Average quality but limited quantity
<b>Any Applicable Restrictions</b>	None noted, other than those of the County zoning and future land use classifications, flood plain and building codes.

## ENVIRONMENTAL CONSIDERATIONS

<b>Natural Features</b>	Babcock-Webb Wildlife Area, Charlotte Harbor, Gulf of Mexico, Caloosahatchee River
<b>Man-made Features</b>	Charlotte County Airport, Zemel Road Landfill, Charlotte Correctional Institution, Interstate 75, CSX Railway and the surrounding road system.
<b>Flood Data</b>	There is a large natural water shed extending southwestward across the neighborhood from the Babcock-Webb Wildlife Area to Charlotte Harbor. The neighborhood is generally located within the 100-year flood prone area.
<b>Traffic Conditions</b>	This is a rural area and does not suffer from extreme traffic congestion found in the urban areas.
<b>Charlotte Flatwoods Hydrologic Restoration Project</b>	<p>The Cecil Webb WMA is the headwaters of the Charlotte Flatwoods Area which has historically drained west towards Matlacha Pass via the 20,000-acre Yucca Pens Unit. Over the years flow pathways have been altered by development of farms, mining and residential lands on either side of I-75. These developments have berms along their parameters that block the historic flow pathways to Yucca Pens.</p> <p>These flow restrictions cause lower water depths and shorter hydroperiods in the Yucca Pens Unit west of I-75. There is a joint effort initiative that includes several governmental agencies to restore the flow pathways. Based on size, use and location, the subject property has been targeted as one possible flow pathway to resolve this issue. The appraisers recently appraised a nearby property that was acquired by the Trust for Public Lands to accommodate the restricted water flow pathway.</p>

THREE-, FIVE-, AND TEN-MILE RADII



## DEMOGRAPHICS

The following data highlights the neighborhood demographics for the 3, 5, and 10-mile radii from the subject, as provided by *Claritas Inc.*

COMPARATIVE DEMOGRAPHIC ANALYSIS FOR PRIMARY TRADE AREA			
Description	16470 Tamiami Trail - 3 mi.	16470 Tamiami Trail - 5 mi.	16470 Tamiami Trail - 10 mi.
	Totals	Totals	Totals
<b>Population</b>			
2028 Projection	5,230	21,772	157,116
2023 Estimate	4,580	18,951	142,206
2020 Census	4,147	17,018	132,376
2010 Census	2,547	11,332	106,189
2023 Est. Median Age	69.50	66.05	52.79
2023 Est. Average Age	63.47	56.94	48.85
<b>Households</b>			
2028 Projection	2,633	10,177	65,542
2023 Estimate	2,286	8,871	59,411
2020 Census	2,060	7,987	55,368
2010 Census	1,176	5,309	45,080
<b>2023 Est. Average Household Size</b>	1.85	2.10	2.35
<b>2023 Est. Households by Household Income (%)</b>			
Household Income < \$15,000	6.3	6.0	8.2
Household Income \$15,000 - \$24,999	6.7	8.2	8.8
Household Income \$25,000 - \$34,999	7.0	8.4	8.7
Household Income \$35,000 - \$49,999	10.4	12.5	12.3
Household Income \$50,000 - \$74,999	<b>28.2</b>	<b>28.3</b>	<b>19.7</b>
Household Income \$75,000 - \$99,999	16.4	14.3	14.4
Household Income \$100,000 - \$124,999	9.7	8.2	10.7
Household Income \$125,000 - \$149,999	5.2	4.7	6.5
Household Income \$150,000 - \$199,999	4.4	4.3	5.2
Household Income \$200,000 - \$249,999	2.0	1.9	2.5
Household Income \$250,000 - \$499,999	2.8	2.2	2.2
Household Income \$500,000+	1.0	1.0	1.0
<b>2023 Est. Average Household Income</b>	\$85,373	\$80,924	\$83,496
<b>2023 Est. Median Household Income</b>	\$67,100	\$62,838	\$64,732
<b>2023 Est. Tenure of Occupied Housing Units (%)</b>			
Owner Occupied	94.7	87.1	79.3
Renter Occupied	5.3	12.9	20.7
<b>2023 Est. Median All Owner-Occupied Housing Value</b>	\$290,362	\$237,545	\$260,304
Source: 2023 Claritas, Inc.			

## NEIGHBORHOOD CONCLUSIONS

The subject neighborhood is located in an unincorporated portion of southwest Charlotte County between the cities of Port Charlotte and Fort Myers. This is a rural area predominately undeveloped. There are areas of residential development at the north and south boundaries of the neighborhood and near the Burnt Store Marina area on the west side of the neighborhood. Most of the commercial uses are located along Tamiami Trail, or US Highway 41.

The Babcock-Webb Wildlife Area is a 65,000-acre preserve located in the northeast portion of the subject neighborhood. This area is full of wetlands and there is a natural water shed southwestward through the subject neighborhood toward the southern end of Charlotte Harbor. The environmental nature of this area has affected development in the neighborhood. The Charlotte Flatwoods Initiative is in the process of trying to restore the natural flow of water and lengthen hydro periods of historic wetlands within Yucca Pens.

There have been few new developments in this area over the past 10 to 20 years. Public water and sewer services are not currently available. The county land fill and a prison are located in this area of the county. There are many platted subdivisions in Lee County to the south of this area that have been developed but still have a number of unimproved lots available. Population in the Cape Coral area has been steadily increasing for the past 15 years. A more recent residential development south of the subject on the east side of Tamiami Trail has fared a little better due to golf course and club house amenities. However, a planned residential development abutting the subject to the south has been indefinitely put on hold. It is anticipated that over the next 20 years, areas to the north and south will build out and residential development including the extension of utilities will move to this area. Limited development activity is expected in the interim.

## SITE DESCRIPTION

The subject of this appraisal assignment is a large tract of land located in Charlotte County, Florida. The property has been assembled by the current property owner between the years of 1996 and 2009 for the intended use of commercial excavation of limestone deposits. There are 550 acres at the rear of the property (east of the mining pits) that are encumbered by numerous Perpetual Conservation Easements. These areas are being maintained as wetland habitat and may never be developed.

## SIZE AND SHAPE

The subject property consists of twenty-four (24) tax parcels listed on the Charlotte County Tax Rolls. The entire property is bisected by a railroad right-of-way, unpaved right-of-way for Orange Blossom Boulevard, and divided into two primary tracts. The area of the property has been provided by Mr. Gary W. Bayne, P.E., a mining engineer with Southwest Engineering and Design.

According to the mining engineer, the total land area of the subject is 1,205 acres. Of this total, approximately 550 acres are encumbered by Perpetual Conservation Easements "PCE's" discussed in more detail, herein. Therefore, the total unencumbered area is 655 acres. The unencumbered property can be divided into 580 acres of water-filled mining pits and 75 acres of uplands surrounding the pits. These land allocations provided by Southwest Engineering are summarized in the following grid.

BREAKDOWN OF LAND AREAS				
	Mining Pits	Uplands	Conservation	Total
<b>Acres</b>	580	75	550	1,205

## ROAD FRONTAGE

The primary mining parcel has street frontage on Tamiami Trail, also known as US Highway 41 and/or State Road 45. The subject has four lots totaling 788 feet of combined frontage on the east side of Tamiami Trail. Along the north side of the primary tract, there is 6,507 feet of frontage along Orange Blossom Boulevard and 1,430 feet along Nasturtium Drive. The conservation parcel to the rear fronts Interstate 75 for approximately three miles and is adjacent to the CSX railroad right of way. Visibility and exposure are good.

## INGRESS/EGRESS/ACCESS

The property has three access points along Tamiami Trail, with a combined total of 788 feet of frontage providing access to the property. The middle lot has a highway drainage swale along its frontage providing no access without constructing a culvert. Additionally, there is 6,507 feet of frontage along Orange Blossom Boulevard and 1,430 feet along Nasturtium Drive. The majority of this frontage is along the lake with a perimeter berm, and along the conservation easement areas where ingress and egress are not physically possible. Current physical access to the mining pits is via a graded haul road at the northernmost Tamiami Trail frontage. There is no rail spur or direct access to the railroad. There is no direct access to the Interstate. Access is north along Tamiami Trail to an interstate interchange at Tuckers Grade. This access is adequate for the mining and/or water reservoir uses.

## TOPOGRAPHICAL FEATURES

The subject can be described with three distinct topographic areas. The mining areas have been excavated resulting in man-made lakes divided by sandy berms. There is a perimeter ditch surrounding the mining areas. Wetlands in the eastern portion property have been restored for conservation and are comprised of a series of man-made ponds surrounded by native vegetation with unpaved vehicular pathways throughout. The remaining upland areas are used for access around the pits and are partially wooded and relatively level.

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## FLOOD PLAIN DATA

According to Flood Insurance Rate Maps 12015C 0450 G, revised December 15, 2022, the subject property is located in Flood Zone D. FEMA describes Flood Zone D as areas with possible but undetermined flood hazards. No flood hazard analysis has been conducted. Flood insurance rates are commensurate with the uncertainty of the flood risk. The FIRM Flood Insurance Rate Map for this area is located on the following page.

## ENVIRONMENTAL CONCERNS

The subject property is located proximate to the 65,758-acre Babcock-Webb Wildlife Area. This area of Charlotte County has a large number of wetlands and conservation areas and limited commercial and/or residential development. The subject properties under consideration by the Charlotte Flatwoods Initiative as a potential flow pathway to move floodwaters from east of I-75 to the Yucca Pens area west of US Highway 41. The natural flow of water is illustrated in one of the following graphics. We observed no endangered species or endangered habitats during our inspection.

Upon physical inspection, we observed an above ground petroleum storage container shown in photograph herein. We observed no apparent leakage or evidence of ground contamination from the tank. No other environmental concerns were apparent at the time of inspection; however, the appraisers are not trained experts in the identification of environmental problems, and an inspection by environmental specialists is recommended if there are any questions regarding such issues for the subject property. The subject property has been appraised as if no environmental hazards exist in accordance with Advisory Opinion 9 of the Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Foundation, effective January 1, 2001.

## SOILS

According to the USDA Natural Resources Conservation Services Soil Survey website, the largest component of the subject site is comprised for water. Hydric soils make up approximately 26% of the property. The upland areas of the site are predominantly comprised of Wabasso sand varieties with 0 to 2 percent slopes. Sandy soils make up approximately 40% of the property. More detail can be found in the graphic following this section.

## GEOLOGY

We have been provided with a Boring Location Plan and Soil Boring Logs report on the primary parcel from 1998 and a Geotechnical Exploration report dated February 6, 2009 for the future mining area. This area was previously labeled "Phase 4 Addition" but has now been combined with the current mining area as part of Phase 6. From these reports, it appears that the property contains shell base, shell rock base, limerock, aggregates, structural fill material and drain field percolation sale up to a depth of 23 feet at which point there is a confining layer to the surficial aquifer.

## MINABLE RESERVES

The majority of the subject's mineable acreage has been depleted of limestone reserves. The remaining mineable reserves are located in Phases 6 and 7. Based upon a January 2023 Excavation Permit Annual Report to Charlotte County, the remaining amount of mineable material totals 2,143,951 cubic yards. According to Howard DeVane, the general manager of the mine, this mine is anticipated to be fully depleted by October 2024.

## WATER STORAGE CAPACITY

According to Gary Bayne, mining engineer at Southwest Engineering and Design, the remaining mining pits have the capacity to store water based upon their geology. The engineer has estimated a total storage capacity of 12,000 acre-feet. An acre-foot is a unit of volume commonly used in the United States in reference to large-

scale water resources, such as reservoirs, aqueducts, canals, and river flows. It defined by the volume of water necessary to cover one acre of surface area to a depth of one foot. One acre-foot equals a storage capacity of 325,851 gallons. Therefore, the subject reservoir has storage capacity for 3.91 billion gallons of water. The bottom of the pit is comprised of a 20-foot layer of confining rock beneficial against seepage into the aquifer. Water levels are replenished by rain over the pits and conservation land as well as seepage and water shed from the Babcock/Webb to the Yucca Pens Wildlife Management Areas and out to the Gulf of Mexico.

## **UTILITIES**

The subject property lies within the Rural Service Area in an unincorporated area of Charlotte County. Electricity is provided in this area by Florida Power and Light. Municipal water and sewer services have yet to be extended to this area of the county. Well and septic systems are generally found to be suitable for the low-density development found in this area. Mid-density to high-density development, like a residential subdivision would require connection to public water and sewer services.

## **SITE CONCLUSION**

The subject is a 1,205-acre parcel located on US Highway 41 (Tamiami Trail), bordered on the east by Interstate 75. The eastern half of the property is encumbered by conservation easements significantly restricting possible uses of that portion. The topography of the conservation area is generally flat and level and has been restored to its native vegetative state thorough a typical conservation management plan. The western part of the property has been excavated for the past 30 years and is now predominately comprised of a large water-filled pit having average depths between 20 and 25 feet with a confining layer of limestone on the bottom. There are narrow upland areas located along the western perimeter of the property and surrounding the pits.

The property is in a rural location in southern Charlotte County, having no municipal water or sewer services. This location is across Tamiami Trail (US 41) from the county land fill and proximate to a men's correctional facility across Interstate 75. These types of surroundings are typically present a negative influence on the property's marketability for residential development. The property's location in a significant water shed area, the geology of the site and existing pits on the property make this property a prime candidate for water storage. The proximity to Cape Coral, with its growing population, where canal water levels drop off to unacceptable levels during the dry months make this a suitable solution for providing water to these canals.

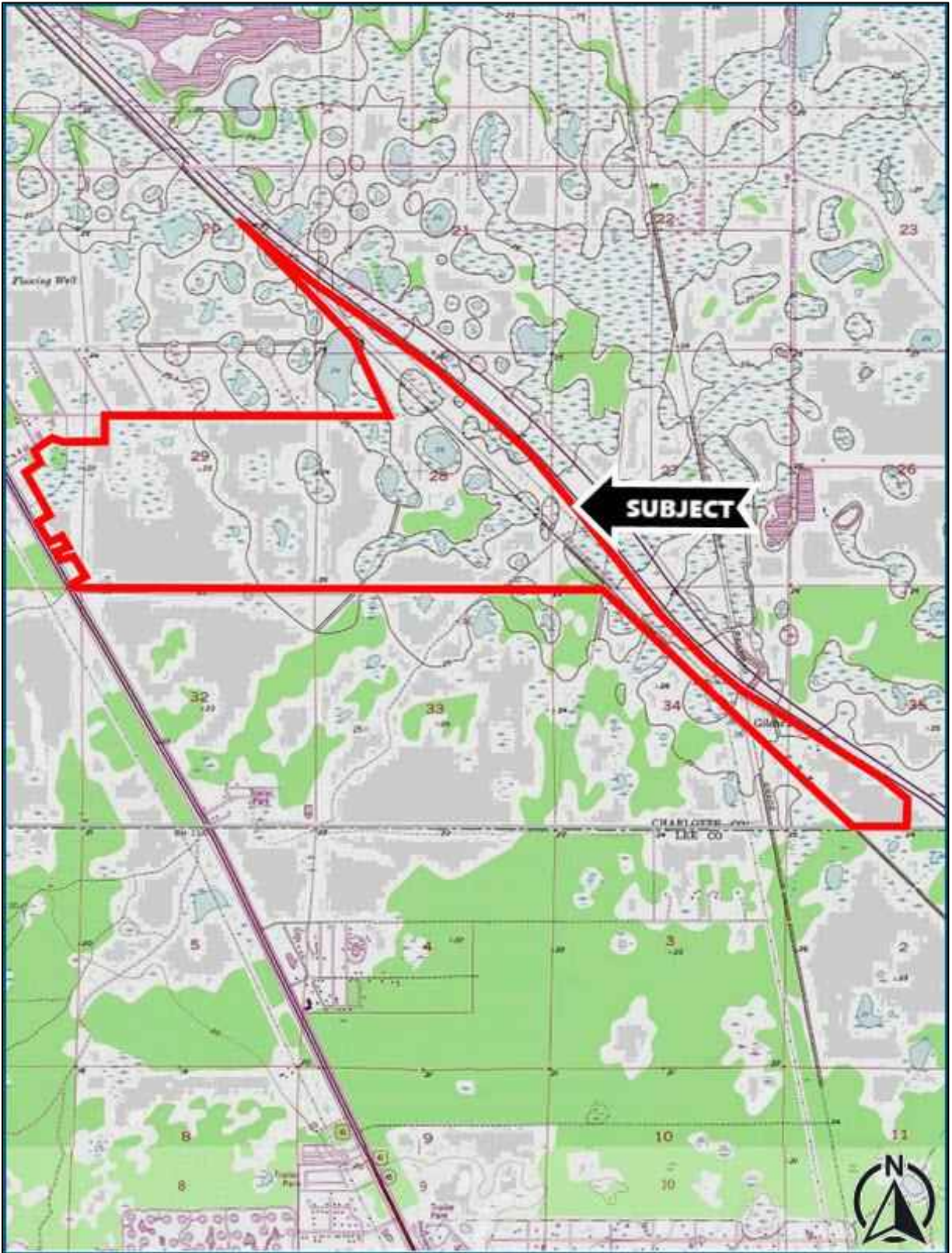
On the following pages are maps and graphics further describing the characteristics of the subject tract discussed in this section.

# MAPS AND GRAPHICS

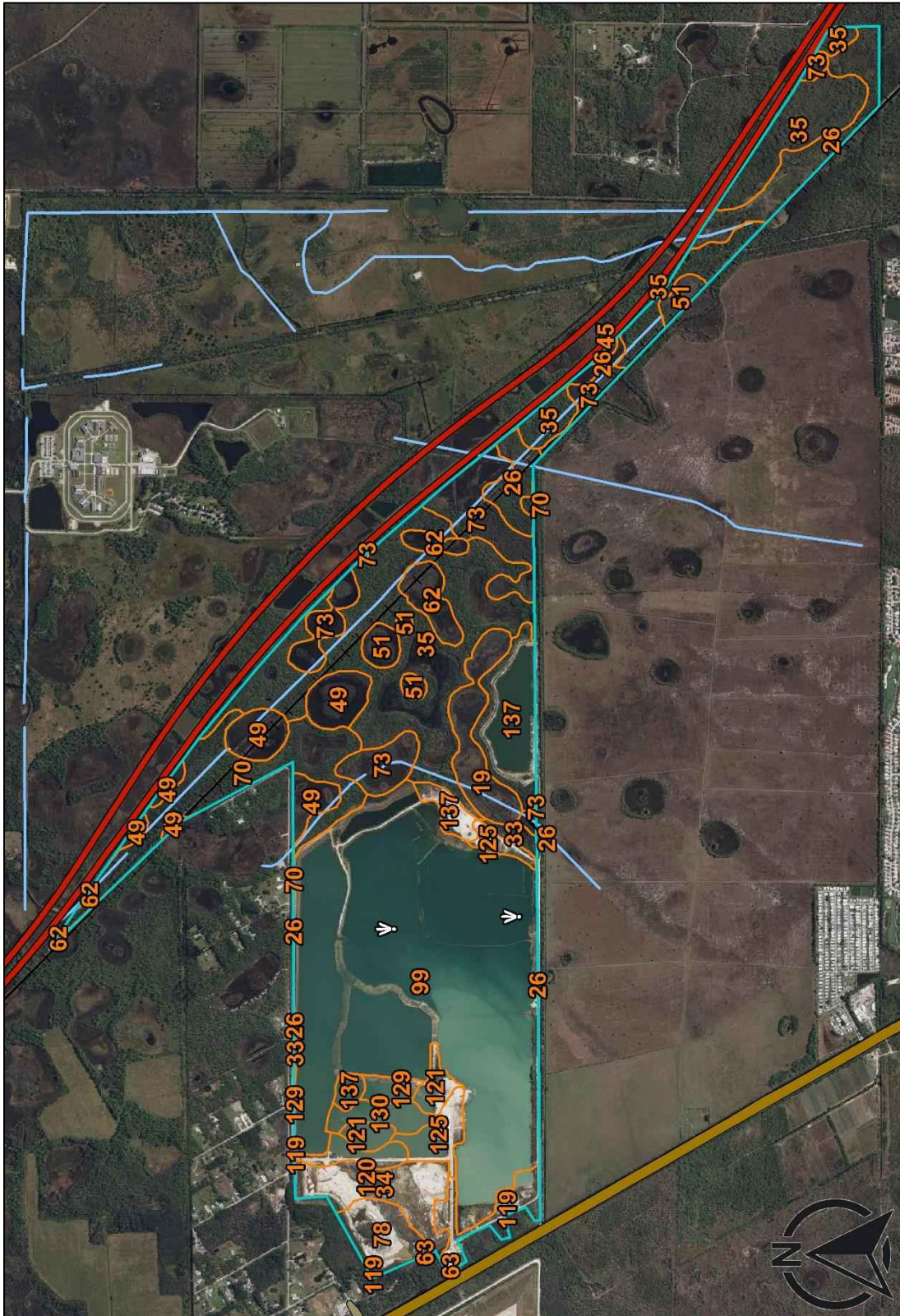
## CHARLOTTE COUNTY PROPERTY APPRAISER MAP



# USGS TOPOGRAPHY MAP



# USDA NRCS SOIL SURVEY MAP

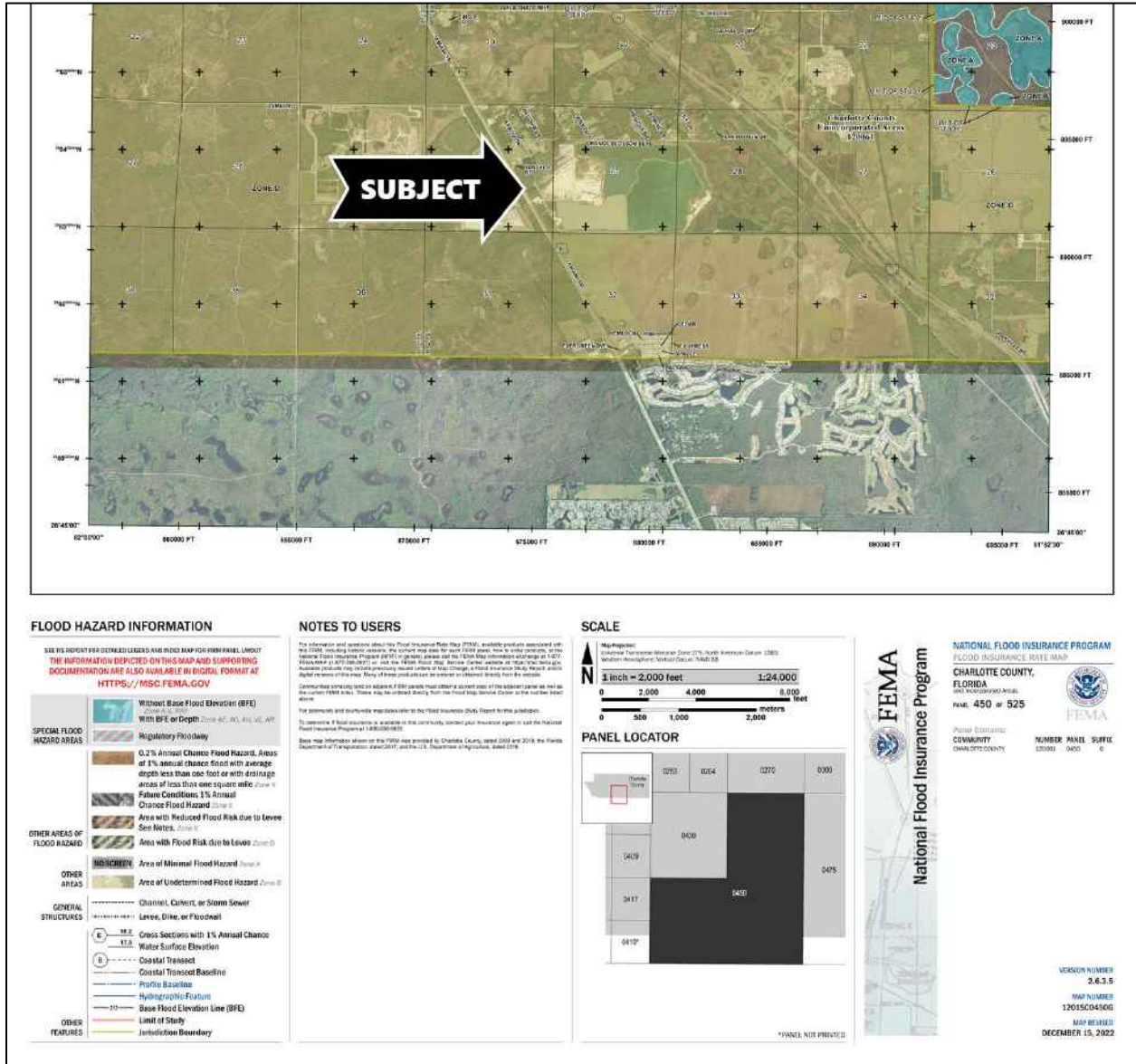


Map Unit Symbol	Map Unit Name	Acres in AOI	Percent of AOI
19	Gator muck, frequently ponded, 0 to 1 percent slopes	34.1	2.8%
26	Pineda-Pineda, wet, fine sand, 0 to 2 percent slopes	64.1	5.3%
33	Oldsmar sand, 0 to 2 percent slopes	5.1	0.4%
34	Malabar fine sand, 0 to 2 percent slopes	40.3	3.3%
35	Wabasso sand, 0 to 2 percent slopes	243.4	20.0%
45	Copeland fine sandy loam, frequently ponded, 0 to 1 percent slopes	1.0	0.1%
49	Felda fine sand, frequently ponded, 0 to 1 percent slopes	47.3	3.9%
51	Floridana sand, frequently ponded, 0 to 2 percent slopes	18.5	1.5%
62	Winder sand, frequently ponded, 0 to 1 percent slopes	22.3	1.8%
63	Malabar fine sand, high, 0 to 2 percent slopes	1.1	0.1%
70	Heights fine sand, 0 to 2 percent slopes	72.6	6.0%
73	Pineda fine sand, frequently ponded, 0 to 1 percent slopes	79.5	6.5%
78	Chobee muck, frequently ponded, 0 to 1 percent slopes	24.1	2.0%
99	Water	414.2	34.1%
119	Malabar fine sand-Urban land complex, 0 to 2 percent slopes	19.8	1.6%
120	Malabar fine sand, ponded-Urban land complex, 0 to 1 percent slopes	11.1	0.9%
121	Malabar fine sand, high-Urban land complex, 0 to 2 percent slopes	15.1	1.2%
125	Oldsmar sand-Urban land, 0 to 2 percent slopes	21.5	1.8%
129	Pineda fine sand-Urban land complex, 0 to 2 percent slopes	8.0	0.7%
130	Pineda fine sand, ponded-Urban land complex, 0 to 1 percent slopes	13.5	1.1%
137	Wabasso sand-Urban land complex, 0 to 2 percent slopes	57.5	4.7%
<b>Totals for Area of Interest</b>		<b>1,214.2</b>	<b>100.0%</b>

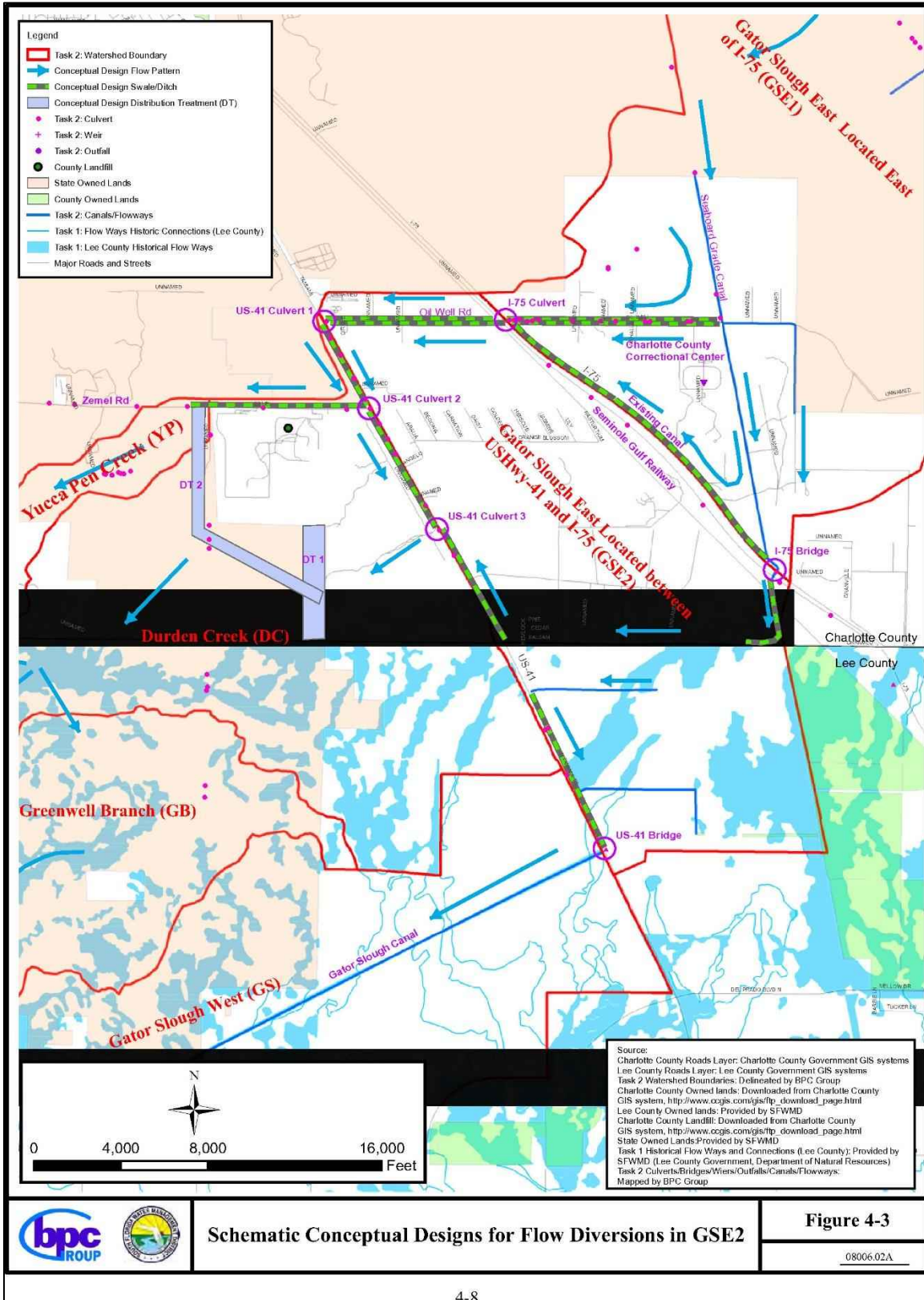
# U.S. FISH & WILDLIFE SERVICE WETLANDS MAP



# FEMA FLOOD MAP



# WATER FLOW THROUGH THE PROPERTY AND SURROUNDING AREAS



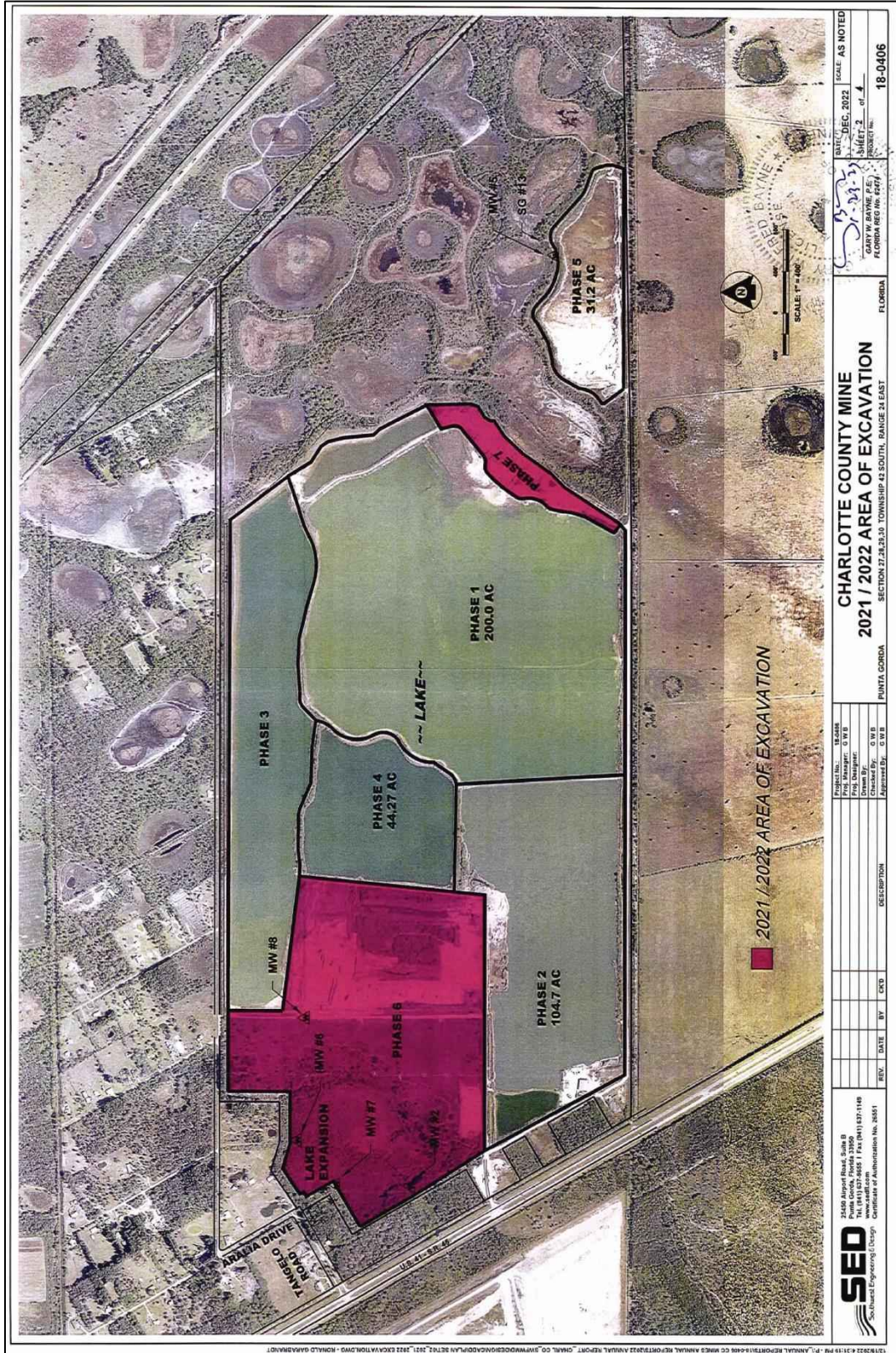
# FDOT TRAFFIC COUNT MAP



## CONSERVATION EASEMENT MAP



**MINING PHASES**



# IMPROVEMENTS DESCRIPTION

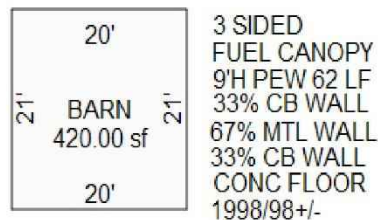
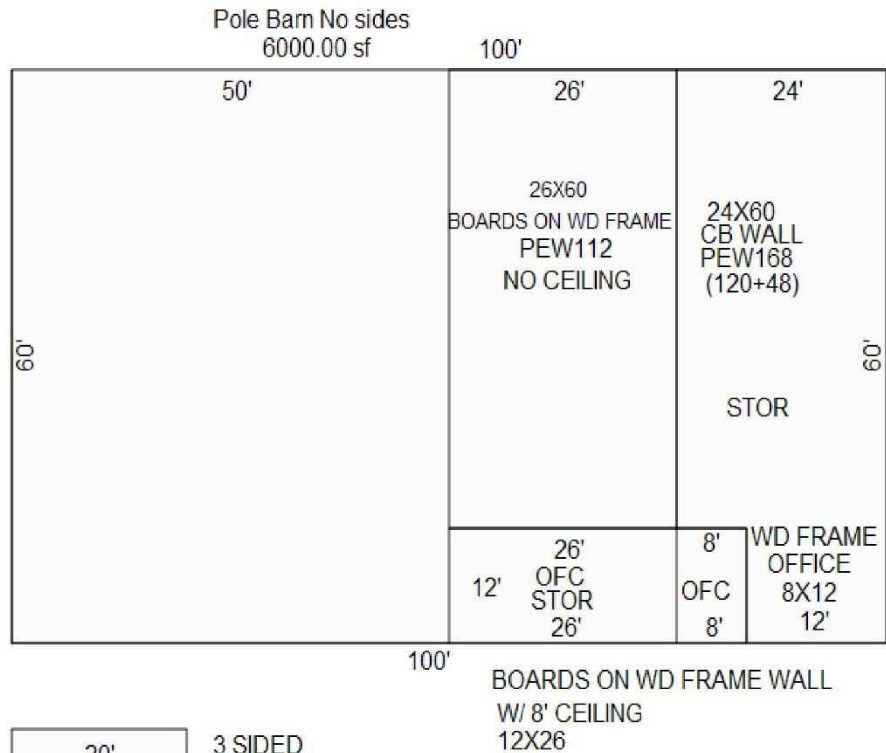
The subject property has been improved with various topographic alterations and building improvements associated with and as a result of the rock mining use on the property for the past 30 years. These are each discussed in detail in this section of the report.

## REPAIR SHOP

Located in the southwest corner of the property is a metal industrial building used for the maintenance and repair of mining equipment. This is a steel frame structure built over a reinforced poured concrete slab. The roof covering is non-insulated corrugated steel. The building measures 60 feet by 100 feet for a total covered area of 6,000 square feet. One half of the covered area has been enclosed with concrete block and corrugated steel walls. There are suspended florescent lighting fixtures and adequate electrical power to service heavy repair equipment. This structure was built in 1998 indicating an actual age of 25 years. The typical life of a structure of this type is between 25 to 30 years.

DET CANOPY (60X100) 14'H W/CONC FLOOR  
STEEL FRAME 1998/1998+/-

1/9/2012 DLH - CHECKED IN W/ OFC - MEAS'D  
ALL BLDGS



## **TANK WELL**

Adjacent to the repair shop building is a concrete block containment structure for the storage and containment of petroleum products used in the maintenance and operation of the mining equipment. This tank well is covered with corrugated steel. There is a 10,000-gallon double walled aboveground steel tank adjacent to the tank well for storing diesel. The tank is personal property and not included in the value of the real estate.

## **TRUCK SCALES**

At the entrance to the property are two prefabricated buildings (personal property) used as scale houses along with two commercial truck scales. One scale is a 50-foot, 100-ton Fairbanks scale used for tractor trailers, and the other is a 30-foot, 100-ton Fairbanks scale used for smaller trucks. Again, these items are considered to be personal property. Their contributory value is included as mining equipment.

## **INTERIOR HAUL ROADS**

At the entrance to the property is an asphalt paved area surrounding the truck scales. Throughout the property are approximately five miles of internal graded crushed rock haul roads, adequate for transporting mining materials to the entrance of the property.

## **MINING PITS/LAKES**

Over the life of the mining operation, various mining pits have been excavated on the property resulting in 580 acres of 20- to 25-foot-deep lakes. There are dykes separating portions of these lakes that will be removed upon completion of mining operations creating one large lake. Sand berms along the north and south perimeter boundaries provide a visual buffer from neighboring residential properties.

## **WETLAND MITIGATION AREAS**

As required by the mining permits, approximately 263 acres of wetlands have been created on the eastern portions of the primary mining parcel. These areas were formerly potato fields that have been planted with native vegetation. This area is based on a Sketch and Legal Description prepared by Hole, Montes & Associates Engineering, recorded in OR Book 1816, Page 2174 of the Charlotte County Public Records. Additional parcels located between the railroad right-of-way and Interstate 75 were purchased for additional mitigation purposes.

## **IMPROVEMENT CONCLUSION**

The described improvements to the land are common and adequate for this type of mining use. With proper maintenance, these structures are anticipated to continue to adequately support the existing mining use throughout the remainder of the mining period, anticipated to be 12 to 18 months. Upon depletion of the minable reserves, the building structures and site improvements will be at the end of their economic lives and provide little, if any, contributory value for an alternative use. The topographic improvements including the lakes and haul roads will continue to provide value as discussed later in this report.

# REGULATORY CONSIDERATIONS

## ZONING

ZONING	
<b>Designation</b>	PD-20-00003
<b>Description</b>	Planned Development
<b>Zoning Intent</b>	An Ordinance pursuant to Section 125.66, Florida Statutes, amending the Charlotte County Zoning Atlas from Agriculture (AG) to Planned Development (PD) for completion of the existing mine and a reservoir use in the existing lake area; for property located north of the Lee County Line, south of Zemel Road, east of Tamiami Trail (US 41) and west of 1-75, in the South County area, containing 1,203.84± acres.
<b>Compliance</b>	The subject appears to be a legal conforming use in this zoning district.
ZONING REQUIREMENTS	
<b>Permitted Uses</b>	Completion of the existing mine, Excavation Permit No. 02-EX-07 & Excavation Permit No. 07-EX-20.  A reservoir use in the existing lake area which is illustrated, in the proposed Neslund RCMU Phase I Concept Pan, dated 03/13/2020, (Attachment 1 : Neslund RCMU Phase I Concept Pan) with appropriate local, State and Federal permits.
<b>Minimum Lot Size</b>	1,131.2 acres
<b>Setbacks</b>	No buffer and landscaping are required for this development, except for requirements set forth in the reclamation plan for the commercial excavation.
<b>Maximum Density</b>	Not applicable
<b>Max Floor Area Ratio</b>	Not applicable



## FUTURE LAND USE

FUTURE LAND USE DESIGNATION	
<b>Comprehensive Plan</b>	Charlotte 2050
<b>Designation</b>	RCMU
<b>Description</b>	Rural Community Mixed Use
<b>Specific Intent</b>	This category is established to provide residential and employment opportunities within the Rural Service Area east of U.S 17 and U.S. 41. Rural communities shall contain a minimum of 640 acres and maximum of 5,000 acres. The County may approve up to a total of 10,000 acres of Rural Community Mixed Use.
<b>General Range of Uses</b>	Single-family attached and detached residential dwelling units, multi-family residential dwelling units, rural commercial uses, industrial, recreational, agricultural uses, and public services and facilities
<b>Residential Gross Density</b>	Two (2) dwellings per gross acre
<b>Maximum Floor Area Ratio</b>	0.25 FAR

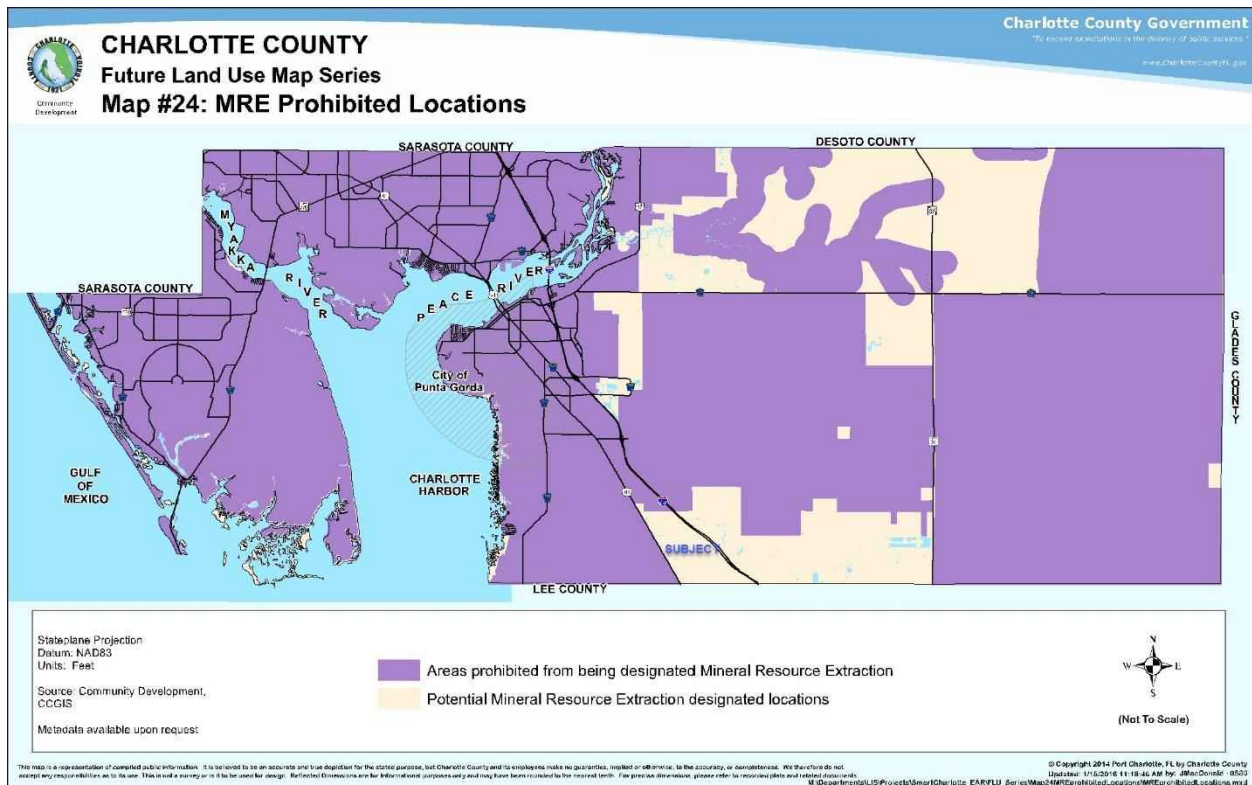


### CHARLOTTE COUNTY SETBACK DISTANCES FOR GROUP III EXCAVATIONS

Article XXIII, the Excavation and Earthmoving section of the Charlotte County Code requires for following setbacks.

- a) Group III excavations are permissible only in an excavation and mining (EM) zoning district as defined in chapter 3-9 of the Code.
- b) The term of a group III permit shall not exceed ten (10) years.
- c) No excavation, except for ditches permitted by the applicable water management district, is permitted within:
  - (1) One hundred (100) feet of any public right of way.
  - (2) Twenty-five (25) feet of the side or rear property line abutting property located in areas zoned other than residential.
  - (3) One thousand (1,000) feet of residential or institutional structures.
    - a) A waiver from this setback may be permitted by the hearing examiner upon a showing that the occupants of the affected structures consent to a reduced setback.
  - (4) Seventy-five (75) feet from any side or rear abutting property located in areas zoned residential.
- d) All loads of material leaving the excavation site must be weighed on-site by FDOT approved scales and each driver given a weight ticket for the correct weight of the load.

As shown in the following graphic, the property is located within an area of the county designated for mining activities.



**CONSERVATION EASEMENTS**

The subject property is encumbered by a Corrective Mineral Right and Royalty Transfer (“Conservation Easement”), recorded in OR Book 1816, Page 2172 of the Public Records of Charlotte County, Florida. This document prohibits mining activities and/or development on 262.96 acres located east of the primary mining area. It is our understanding that there are three other similar agreements dedicating an additional 285.50 acres as conservation lands with no mining nor development potential. The total area encumbered by conservation easements is rounded to 550 acres.

The referenced Perpetual Conservation Easements were required by the State of Florida as part of the approval process for the mining use. The easements specifically prohibit any use inconsistent with preserving the wetland areas and restricts development of the property. The conservation areas have been restored and maintained as wetlands habitat by the mining operator as required in the easement agreements.

**MINING PERMITS**

Rock mining is permitted at the subject property under the following permits. The County Excavation permits were granted extensions following the state of emergency caused by hurricane damage in the area in 2004. Current permits are valid through September 10, 2038 according the most recent site visit inspection report by Charlotte County. Based upon the historic use, current permit compliance, and location of the property in the County, it is possible that permit extensions could be obtained of necessary to reach depletion.

ENVIRONMENTAL RESOURCE PERMIT	
<b>Issuing Agency</b>	Florida Department of Environmental Protection
<b>Issue Date</b>	August 29, 2000
<b>Expiration Date</b>	August 29, 2020
<b>Remarks</b>	Ensures that all wetland impacts and reclamation plans meet Florida Statutes for the current mining area.

ENVIRONMENTAL RESOURCE PERMIT	
<b>Issuing Agency</b>	Florida Department of Environmental Protection
<b>Issue Date</b>	November 15, 2010
<b>Expiration Date</b>	November 15, 2030
<b>Remarks</b>	Ensures that all wetland impacts and reclamation plans meet Florida Statutes for the future 84 acre mining site.

EXCAVATION PERMIT NO. 02-EX-07	
<b>Issuing Agency</b>	Charlotte County
<b>Issue Date</b>	July 11, 2003
<b>Original Expiration Date</b>	June 27, 2014
<b>Expiration Extension Date</b>	November 26, 2021
<b>Remarks</b>	This County excavation permit was granted extensions following the state of emergency caused by hurricane damage in the area in 2004. All excavations under this permit have been completed. Reclamation was completed by 2016. This permit has been combined with 02-EX-20 for reporting purposes. In reviewing the Charlotte County permit records, the most recent inspection report indicates that the permit expiration date is 09/10/2038.

**EXCAVATION PERMIT NO. 02-EX-20**

<b>Issuing Agency</b>	Charlotte County
<b>Issue Date</b>	September 15, 2010
<b>Original Expiration Date</b>	September 15, 2020
<b>Expiration Extension Date</b>	June 20, 2023
<b>Remarks</b>	County excavation permit for the remaining minable area. Expiration can be extended if necessary.

**ENVIRONMENTAL PERMIT**

<b>Issuing Agency</b>	US Army Corp of Engineers
<b>Issue Date</b>	September 8, 2000
<b>Expiration Date</b>	September 8, 2020
<b>Remarks</b>	Confirms that all "waters of the United States" rules have been examined and complied with.

**RESERVOIR AGREEMENT**

The subject property is subject to an agreement between the City of Cape Coral and the owner of the property, BP, LLC. The purpose, to determine the possibility of using the existing mining pits as a water storage reservoir to replenish freshwater canals in the city during the dry months of the year. Based upon calculations by the Cape Coral Utilities Director, Jeff Pearson, the reservoir would be able to provide 12.5 million gallons of raw water per day for the 120 days of dry season. It could also store more than 1.5 billion gallons of water in addition to the 2 billion gallons of storage within the 300 miles of freshwater canals. The current flow is 16-million gallons per day.

Preliminary testing was completed at a cost of \$320,000 over a 90-day period in 2017. The use of pumps and other equipment was rented from the property owner for \$140,000. The 90-day test at a rate of 17 million gallons per day has been completed and the data is being analyzed by Southwest Engineering & Design. In order to purchase the property, City officials put up a bill (HB 3639) appropriating \$2.5 million toward the reservoir project to take effect July 1, 2017. While this bill was received favorably by the Agriculture and Natural Resources Appropriations Subcommittee, it died in the Appropriations committee and was indefinitely postponed and withdrawn from consideration.

As a result of these tests, an agreement was drafted between the City of Cape Coral and the property owner to provide raw water pumped from the lakes at a cost of \$0.10 per 1,000 gallons. This agreement has since been revised with an increased cost of \$0.25 per 1,000 gallons. There are minimum payments due for months when there is no pumping. This agreement will expire in October of 2024.

**OTHER EASEMENTS, ENCRAGEMENTS, USE RESTRICTIONS**

Based upon our inspections of the property and review of the provided surveys and documents and a brief search of the public records, there are no other known easements or encroachments on the property. This analysis of the property presumes no other easements, encroachments and use restrictions.

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## CONCEPTUAL DEVELOPMENT PLAN

The property owner has provided a conceptual development plan for consideration in the highest and best use analysis of this property. A graphic description can be found on the following page. The proposed development has been named Wild Blue Ranch. The plan calls for the development of a yacht club in the southwest corner of the property (where the equipment maintenance area currently exists) with frontage along US Highway 41. Surrounding the excavated mining pits 207 single family residential lots are to be developed, most of which are to be waterfront providing boat access to the lake. A hiking clubhouse is to be constructed at the southeast corner of the larger lake and there are hiking trails throughout the conservation easement area west of the railroad right of way.

On the east side of the railroad right of way between the tracks and Interstate 75 is a narrow tract of land. The conceptual plan shows the development of an interstate rest area having direct access from the Interstate. This rest area is to include hotels, shops, restaurants, offices and parking areas. This design appears to be inspired by Florida's Turnpike Travel Plazas located between the travel lanes in various areas along the Turnpike. Access to this area will be limited to southbound Interstate traffic with proposed exit and entrance ramps directly to the property. A brief review of the Florida Department of Transportation Interchange Access Request User's Guide dated September 2022 v3.30, it appears unlikely that such access could be obtained. Section 1.4.1 states that the only requestor of such interstate access shall be FDOT, a local governmental entity or a transportation authority. Any private developer must be working through a local government. This service area is located entirely within an area that has been encumbered by perpetual conservation easements prohibiting any of these types of developments.

To the south of the subject is a large agricultural tract of land referred to as the McNew Ranch which is currently used as a pasture. The owners of this property have future intentions of developing the property with a mixed-use development having a large residential subdivision and commercial uses along the road frontage. The subject property owner envisions synergy between these two developments.



# PROPERTY ASSESSMENT AND TAXES

Florida real estate is assessed each year on January 1<sup>st</sup> by the County Property Appraiser. While assessments are based on 100% of Just or Market Value, actual assessments are typically between 50% and 80% of value. Upon sale or development of a property, the County Property Appraiser has the ability to set the Just Value without limitation. At that point in time, the Assessed Value equals Just Value. Each subsequent year that there is no sale or substantial renovation to the property, the Assessed Value of non-homestead property is capped at 10% over the prior year's assessment. Deducting tax exemptions results in the Taxable Value on which the millage rate of the municipality is applied, however, the school board's millage is applied to the Just Value.

## REAL PROPERTY ASSESSMENTS AND TAXES

The Charlotte County Property Appraiser Office and Tax Collector Office, indicate the following summary values and taxes for 24 tax parcels making up the subject property for tax year 2022.

2022 ASSESSMENT AND TAXES							
Parcel	Tax ID Number	Just Value	Certified Taxable Value	Ad Valorem Tax	Non-Ad Valorem Tax	Millage Rate	Total Tax
P2-1-1	422420427001	\$19,010	\$11,189	\$225.93	\$11.25	15.6113	\$237.18
P1-1-1	422421300004	\$51,765	\$30,465	\$615.20	\$37.66	15.6113	\$652.86
P1-2	422427300001	\$8,687	\$5,113	\$103.26	\$2.57	15.6154	\$105.83
P1-2-1	422427300002	\$51,991	\$30,597	\$618.00	\$76.89	15.6154	\$694.89
P3	422427300003	\$116,025	\$68,280	\$1,399.12	\$0.00	15.9079	\$1,399.12
00TA	422428126001	\$104,975	\$43,244	\$1,092.33	\$86.79	15.9038	\$1,179.12
P1-2	422428200001	\$330,969	\$194,773	\$3,933.28	\$133.14	15.6113	\$4,066.42
P2	422428300001	\$332,465	\$305,502	\$5,035.36	\$0.00	15.9038	\$5,035.36
P1-1	422428400001	\$15,470	\$9,104	\$183.85	\$9.15	15.6113	\$193.00
P1-1	422429151001	\$41,650	\$24,511	\$502.15	\$1,433.85	15.9038	\$1,936.00
P1-7	422429152001	\$36,865	\$188	\$243.37	\$1,499.03	15.9038	\$1,742.40
P1-4	422429152002	\$72,472	\$72,472	\$1,152.58	\$0.00	15.6113	\$1,152.58
P1	422429300001	\$194,047	\$114,197	\$2,339.50	\$760.38	15.6113	\$3,099.88
P1-5	422429300002	\$62,000	\$62,000	\$986.04	\$0.00	15.9038	\$986.04
P1-6	422429300003	\$64,161	\$64,161	\$1,020.40	\$0.00	15.9038	\$1,020.40
P2	422429300004	\$34,323	\$28,013	\$486.85	\$216.95	15.9038	\$703.80
P1-2	422429300005	\$141,624	\$141,624	\$2,252.36	\$1,615.97	15.9038	\$3,868.33
P1-3	422429400001	\$465,962	\$406,855	\$6,857.93	\$4,551.88	15.9038	\$11,409.81
P1-12	422429476003	\$25,228	\$12,713	\$284.20	\$91.12	15.9038	\$375.32
P1-7	422430426009	\$12,628	\$12,628	\$200.83	\$0.00	15.9038	\$200.83
P1	422430426010	\$68,048	\$40,047	\$820.42	\$260.70	15.9038	\$1,081.12
P1-8	422430476001	\$21,046	\$21,046	\$334.73	\$0.00	15.9038	\$334.73
P1-2	422434200001	\$84,788	\$49,897	\$1,007.84	\$63.73	15.6154	\$1,071.57
P1-2	422435300002	\$406,385	\$239,155	\$4,830.53	\$120.21	15.6154	\$4,950.74
<b>Totals</b>		<b>\$2,762,584</b>	<b>\$1,987,774</b>	<b>\$36,526.06</b>	<b>\$10,971.27</b>		<b>\$47,497.33</b>

Real estate taxes are due by March 31<sup>st</sup> of each year. In the State of Florida, every property owner can take advantage of a 4% pre-payment discount in their total tax liability if paid by November 30<sup>th</sup> of the prior year. Prudent investors will take advantage of this discount. For the subject property, the tax payment was made on February 28, 2023. The total taxes paid were \$47,022.36.

## **DELINQUENT TAXES**

From a review of the County Tax Collectors records there appears to be no delinquent real property taxes for the subject property.

## **FORECASTED TAXES**

For all the reasons discussed, the current just value and taxable value may not be representative of the current Market Value supported in this appraisal report. A sale of the subject at a price near the estimated market value can trigger a reassessment of the property in the following year. As implicit in the definition of Market Value is the consummation of a sale, even in the event of a refinance, thus the potential real estate tax implication following a sale must be considered. Prudent investors will anticipate such an increase in operating costs and forecast a realistic annual tax liability in their analysis of the property. The subject property, however, is a unique tract and our value estimate represents a Value in Use as a water storage reservoir by a local municipality. It is speculative to assume how the property appraiser might handle this property for this use and whether the property would be tax exempt as a governmental use. We have, therefore, not ventured a forecast of possible tax liability in future years if such a reassessment would occur.

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# HIGHEST AND BEST USE

## INTRODUCTION

The highest and best use is the reasonable, probable, and legal use of vacant land or an improved property that is physically possible, legally permissible, appropriately supported, financially feasible and that results in the highest value. These criteria are often considered sequentially. The tests of legal permissibility and physical possibility must be applied before the remaining tests of financial feasibility and maximal productivity. A financially feasible use is precluded if it is legally prohibited or physically impossible. If a reasonable possibility exists that one of the prior, unacceptable conditions can be changed, is it appropriate to proceed with the analysis with such an assumption.

Typically, the highest and best use of a property is analyzed both as vacant and as improved. In all cases, the property's highest and best use must meet four criteria: (1) legally permissible; (2) physically possible; (3) financially feasible; and (4) maximally productive. In the case of the subject property, the improvements to the property are generally comprised of alterations to the topography of the land. The value of the property is in the excavated land and the existing structural improvements provide little, if any, contributory value to the property. Thus, our analyses of highest and best use as vacant and as improved have been combined in the following section.

## LEGALLY PERMISSIBLE

The future land use classification for the subject under the Comprehensive Land Use Plan is Rural Community Mixed Use. This classification provides residential and employment opportunities within the Rural Service Area east of U.S. 17 and U.S. 41 for tracts that contain between 640 acres and 5,000 acres. The intended range of uses include single-family attached and detached residential dwelling units, multi-family residential dwelling units, rural commercial uses, industrial, recreational, agricultural uses, and public services and facilities. The residential density is limited to two dwelling units per gross acre or up to 2,400 units for a property the size of the subject property. Non-residential development is limited to a floor area ratio of 0.25 or approximately 13-million square feet. Various ratios of residential, commercial, recreation and open space are required under the future land use plan in this district.

The property has been rezoned by the Charlotte County Zoning Department from Agriculture, General to Planned Development in 2020. The intention of the PD zoning is specifically to permit the completion of commercial excavations of the existing mine with reservoir use of the existing lake area. No other uses are contemplated under the current PD zoning ordinance. These are the only legal uses of the property.

During the course of mining excavations on this property, various permanent conservation easements were granted to the government for the preservation of natural areas that were not intended to be excavated. These easements encumber approximately 550 acres identified in a map found earlier in this report. These easements specifically prohibit any use of the property inconsistent with preserving the wetland areas and restricts development of the property.

Based on a review of these legal constraints, it appears that the only legally permissible uses under the conceptual development plan might be the residential dwellings and club houses, however, such use would require a change in the PD zoning. The service plaza is entirely located within the conservation easement area, and it is not reasonably probable that direct interstate access would be granted by the FDOT for a privately owned development. Therefore, it appears that the uses of the property are legally limited to the completion of the commercial excavations with reservoir use of the existing lake area.

## PHYSICALLY POSSIBLE

The property includes a generally rectangular mining area with a narrow tract of land extending between the railroad right of way and the Interstate. The total land area is 1,205 gross acres. As a result of 30 years of mining operations, there is a large mining pit covering most of the unencumbered areas of the property. A smaller pit is located along the southern perimeter near the rear of the site. The total area of the lakes (mining pits) is understood to be about 580 acres. As mentioned approximately 550 acres are encumbered by perpetual conservation easements leaving approximately 75 acres of unencumbered uplands configured in narrow borders of land surrounding the lakes. This site configuration has a significant impact on the development potential of the property as development is limited to the upland portions of the tract. Paved road frontage along Tamiami Trail, Orange Blossom Boulevard and Nasturtium Drive provide adequate access to portions of the property lying west of the railroad right of way. Access to the eastern portions of the property requires notification to the railroad. There is no direct rail access via rail spur. There is no direct access from the Interstate frontage. No municipal water or sewer services have yet to be extended to this area, private well and septic would be required for development.

In review of the conceptual development plan, there does not appear to be adequate land bordering the southern or northern areas of the lake to provide for residential lots and feeder streets. The proximity to the mining pits may impact the ability to provide water and sewer services to each of these lots. The proposed developments between the railroad right of way and Interstate may be possible based on configuration, however, there is currently no legal access to this area and the ability to obtain direct interstate access is not reasonably probable. Additionally, the topography of this area is very low with hydric soils that frequently flood according to soil studies. A significant amount of fill would be necessary for development in these areas.

The legally permissible use under the Comprehensive Plan and Zoning Ordinance is as a water storage reservoir. The storage volume of these lakes is approximately 12,000 acre-feet which could accommodate more than 3.9 billion gallons of water storage capacity. The location of this property is in the watershed of the Babcock-Webb Wildlife Area; a 65,758 acre preserve located northeast of the subject and there is a natural water shed southwestward, past the subject toward the southern end of Charlotte Harbor. The environmental nature of the surrounding area negatively impacts commercial and residential development but provides an opportunity to replenish the subject lakes with fresh water.

Based upon these physical factors, it appears that development of the subject according to the conceptual development plan is not physically possible, however, use of the property as a water storage reservoir is.

## FINANCIALLY FEASIBLE

In determining the most financially feasible use for the property, we have looked at the income generating ability of the various legal and physical uses. The uses proposed in the conceptual plan do not appear to be legally permissible nor physically possible.

The onsite costs associated with development of a residential subdivision including back-filling mined-out areas to create a functional site configuration, building interior roads and infrastructure necessary for residential development is not financially feasible based upon the number of allowable units. In addition, the odor, dust and vibration created by the county dump across US Highway 41 and the potential for security issues based upon the proximity to the County correctional center have negative influences on the pricing structure of the residential end units. Considering finished lot prices in the area, as well as the anticipated pricing of the end units in superior locations, residential development at the subject property appears not to be financially feasible.

Conservation and recreation uses generate the lowest returns to land, evidenced by the comparable sales of remainder properties encumbered by Perpetual Conservation Easements ranging from \$1,500 per acre to \$3,000 per acre. Agricultural uses may be possible on a small portion of the overall property; however, agricultural land values tend to fall near the lower end of value for land as well. Based upon the limited amount of upland acreage at the subject, most of these agricultural uses would not be economically feasible.

Rock mining is a legally permissible, physically possible and financially feasible use of the property. This use has been ongoing for the past 30 years; however, the mine is currently undergoing its last phases of extraction. There are less than 2.1 million cubic yards of mineable reserves in the remaining phase. Upon completion, the property configuration will consist of a 580-acre, water-filled pit with an average depth of 22 feet, and 550 acres of undevelopable protected conservation wetland habitat. Based upon the topography and geology of the underlying land, these water-filled pits can be used for the detention and storage of 3.9 billion gallons of water.

Is there market demand for such a volume of water storage capacity? The northern limit of the City of Cape Coral is just over a mile from the subject property. Cape Coral has been experiencing water shortages during the dry season for the past several years, particularly with respect to low water levels in their freshwater canals brought on by residential irrigation usage. The population of Cape Coral continues to increase at a steady rate of approximately 3% per year over the past 15 years. Cape Coral has a system of approximately 300 miles of freshwater canals throughout the City that are used for irrigation purposes. City officials have been working on ways to replenish these canals during the 120-day dry season. The City has other needs for additional water that it has been accommodating through a variety of other water projects.

Approximately \$320,000 was spent on a 120-day test run for to determine whether the process works and would be cost effective, and the results are positive. A pipeline has been proposed capable of delivering fresh water to the City's canal system via Gator Slough. The former mining pits could provide 16 million gallons of water per day during the dry season. There are areas throughout the United States where water shortages create the need for water storage reservoirs. It appears that these issues are beginning to impact the State of Florida as well. Monetary consideration is routinely paid for the use of these water storage areas either through purchase or lease of storage space. It appears that Cape Coral has a significant demand for water, and that the proximity, topography and geology of the subject makes it an excellent candidate as a water storage solution. As such, it appears that a water storage reservoir use would represent a financially feasible use of the property.

### **MAXIMALLY PRODUCTIVE**

A review of the Conceptual Development Plan provided by the property owner does not appear to represent a legally permissible nor physically possible use of the property. The legally permissible uses are narrowly limited in the Planned Development Zoning Ordinance to permit the completion of commercial excavations of the existing mine with reservoir use of the existing lake area. These are the only legal uses of the property. The fact that these uses have been on-going for the past five years tend to prove that they are physically possible as well. The existing financial agreement with the City of Cape Coral to purchase water to replenish freshwater canals represents evidence of financial feasibility.

While rock mining is a legal and feasible use, the limited reserves remaining, and prices paid for depleted mining property for residential use result in values less than that of a water storage reservoir. A reservoir use can produce a much higher return to the land based upon market evidence found in this report. Although Florida does not have an active private sector market for this type of property, the proximity of a nearby municipality having present and future need for additional fresh water sources makes this a limited-market, special-purpose property.

It is our opinion that the maximally productive use of the subject property is represented with a water storage reservoir use. A use of this type represents a legally permissible, physically possible and financially feasible use of the property. The continuation of the mining use represents an interim use until such time that the minable reserves are depleted in an estimated 12 to 18 months.

## VALUATION PROCESS

Valuation in the appraisal process generally involves three techniques, including the Cost Approach, Sales Comparison Approach and the Income Capitalization Approach.

These three valuation methods are defined in the following table:

VALUATION METHODS	DEFINITION
<b>Cost Approach</b>	In this approach, value is based on adding the contributing value of any improvements (after deductions for accrued depreciation) to the value of the land as if it were vacant based on its highest and best use. If the interest appraised is other than fee simple, additional adjustments may be necessary for non-realty interest and/or the impact of existing leases or contracts.
<b>Sales Comparison Approach</b>	In this approach, recent sales of similar properties in the marketplace are compared directly to the subject property. This comparison is typically accomplished by extracting "units of comparison", for example, price per square foot, and then analyzing these units of comparison for differences between each comparable and the subject. The reliability of an indication found by this method depends on the quality of the comparable data found in the marketplace.
<b>Income Capitalization Approach</b>	In this approach, a property is viewed through the eyes of a typical investor, whose primary objective is to earn a profit on the investment principally through the receipt of expected income generated from operations and the ultimate resale of the property at the end of a holding period.

### VALUATION METHODS UTILIZED

This appraisal employs all three typical approaches to value: the Cost Approach, the Sales Comparison Approach, and the Income Capitalization Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that all approaches would be considered meaningful and applicable in developing a credible value conclusion.

The valuation process is concluded by analyzing each approach to value used in the appraisal. When more than one approach is used, each approach is judged based on its applicability, reliability, and the quantity and quality of its data. A final value opinion is chosen that either corresponds to one of the approaches to value or is a correlation of all the approaches used in the appraisal. It is our opinion that these are the methods that our appraisal peers would use to address this appraisal problem.

# LAND VALUATION

## METHODOLOGY

The 1,205-acre subject site is comprised of two distinct areas. The 655 acres located at the west side of the property supports mining and development, while the eastern 550 acres are encumbered by conservation easements limiting potential uses to conservation, preservation and passive recreation. The benefit of the conservation lands and surrounding topography for a reservoir use is the ability to capture rainwater and funnel it toward the existing mining pits to replenish the water supply as water levels are pumped down. While these encumbered lands benefit the property in this way, they still have diminished utility compared to the unencumbered portions. For this reason, two datasets have been presented and analyzed in support of these various contributory values.

Comparative sales analysis is employed to develop an opinion of land value. In the Sales Comparison Approach, we developed an opinion of value by comparing similar, recently sold sites in the surrounding or competing area to the subject property. A complete description of this valuation method is found in the Sales Comparison Approach section of this report.

## UNITS OF COMPARISON

Based on market behavior observed, the most appropriate unit of comparison for this analysis for both the encumbered and unencumbered land sales is price per gross acre.

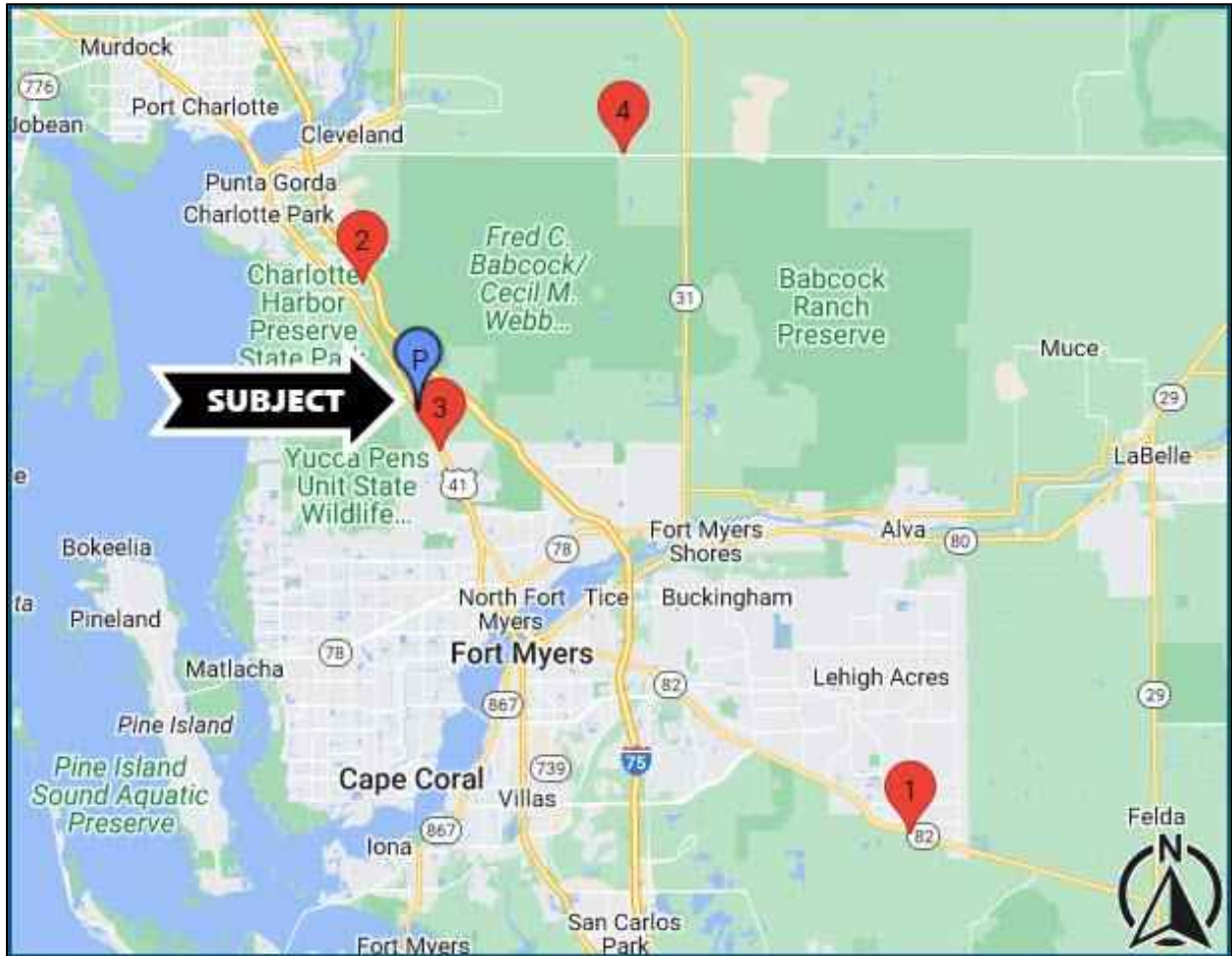
## SALE OF THE SUBJECT PROPERTY

In the absence of a title search or chain of title, the subject property sales history has been determined from the Charlotte County Tax Roll and Official Records. After a search of the public records, we have found no arm's length transactions involving this property in the past five-year reporting period. The property was assembled by the current owners over several years beginning in 1996. The most recent transaction was in 2009. Southwest Aggregates has a royalty agreement with the property owner, Neslund Family Partnership, to mine the property. There is also an agreement with the City of Cape Coral to supply raw water via roadside ditch to the freshwater canals west of Gator Slough. The property is not currently listed for sale and we were not apprised of any contracts or offers to lease or purchase the property.

## UNENCUMBERED LAND COMPONENT

A search was made for vacant properties of similar size and utility that are proximate to the subject property. On the following pages, we present a summary of the properties that we compared to the subject property, a map showing their locations, and the adjustment process.

### COMPARABLE LAND SALES MAP



SUMMARY OF UNENCUMBERED LAND SALES										
Comp No.	Property / Location	Date of Sale	Transaction Status	Site Size (Gross Acres)	Zoning	Sale Price	Price per Gross Acre	Road Frontage	Topography	Utilities
1	Bell Boulevard Mine 21260 Florida 82 Fort Myers, FL	May-22	Closed	502	IPD	\$15,300,000	\$30,451	4,400 feet along SR 82	Varying	None
2	Greenpointe Developers Site 11710 Tamiami Trail Punta Gorda, FL	Dec-21	Closed	560	PD	\$16,675,000	\$29,777	1,450 feet on Tamiami Trail	Generally level	All available
3	MHC Pine Lakes II 17001 Tamiami Trail Punta Gorda, FL	Oct-21	Closed	1,101	AG-2	\$16,000,000	\$14,528	1 mile along Tamiami Trail	Generally level	All available
4	Former South Florida Motorsports Park 39450 Bermont Road Punta Gorda, FL	N/A	Listing	998	AG	\$14,995,000	\$15,025	4,100 feet on Bermont Road	Varying	None
<b>Subj.</b>	Southwest Aggregates 16470 Tamiami Trail Punta Gorda, Florida	—	—	655	PD	—	—	788 feet on Tamiami Trail	Varying	None

COMMENTS
1 - Earth Tech Enterprises, a Seagate company, began mining the site starting in June 2022.
2 - The community will consist of 1,389 total units. Development plans for Phase 1 include 344 home sites and community amenities. Construction was anticipated to begin in 2022 with pricing from the high \$200,000s.
3 - Zemel family sold hundreds of acres of agricultural land to MHC Pine Lakes for the expansion of an established 362-acre mobile home park. The zoning of the property was subsequently changed from Agricultural to Mobile Home Planned Development for 300+ new homes.
4 - 998± acres of recreation land, a former multi-themed outdoor adventure park with agricultural zoning. Opportunity for material extraction, an RV park, farming, hunting or other agricultural use in addition to the recreation component Charlotte County special exception in place for a recreation facility with a multitude of uses.

## COMPARABLE UNENCUMBERED LAND SALES ADJUSTMENT GRID

COMPARABLE LAND SALE ADJUSTMENTS					
	Subject	Comp 1	Comp 2	Comp 3	Comp 4
Property / Location	Southwest Aggregates 16470 Tamiami Trail Punta Gorda, Florida	Bell Boulevard Mine 21260 Florida 82 Fort Myers, FL	Greenpointe Developers Site 11710 Tamiami Trail Punta Gorda, FL	MHC Pine Lakes II 17001 Tamiami Trail Punta Gorda, FL	Former South Florida Motorsports Park 39450 Bermont Road Punta Gorda, FL
Transaction Status	----	Closed	Closed	Closed	Listing
Date of Sale	----	May-22	Dec-21	Oct-21	N/A
Site Size (Gross Acres)	655	502	560	1,101	998
Sale Price	----	\$15,300,000	\$16,675,000	\$16,000,000	\$14,995,000
Zoning	PD-20-00003	IPD	PD	AG-2	AG
<b>Unadjusted Price per Acre</b>	----	<b>\$30,451</b>	<b>\$29,777</b>	<b>\$14,528</b>	<b>\$15,025</b>
Transactional Adjustments					
Property Rights Conveyed	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>
Financing Terms	<i>Cash Equivalent</i>	<i>Cash Equivalent</i>	<i>Cash Equivalent</i>	<i>Cash Equivalent</i>	<i>Cash Equivalent</i>
Conditions of Sale	<i>Arm's Length</i>	<i>Arm's Length</i>	<i>Arm's Length</i>	<i>Arm's Length</i>	<i>Current Offering</i>
Market Conditions	<i>Mar-23</i>	<i>May-22</i>	<i>Dec-21</i>	<i>Oct-21</i>	N/A
Adjustment		5.00%	6.00%	7.00%	0.00%
<b>Adjusted Price per Acre</b>		<b>\$31,973</b>	<b>\$31,563</b>	<b>\$15,545</b>	<b>\$15,025</b>
Property Adjustments					
Location	<i>Punta Gorda</i>	<i>Lehigh Acres</i>	<i>Punta Gorda</i>	<i>Punta Gorda</i>	<i>Bermont Road</i>
		<b>Similar</b>	<b>Similar</b>	<b>Similar</b>	<b>Inferior</b>
Site Size (Ac)	655	502	560	1,101	998
		<b>Similar</b>	<b>Similar</b>	<b>Inferior</b>	<b>Inferior</b>
Zoning / Intended Use	PD-20-00003	IPD	PD	AG-2	AG
		<b>Similar</b>	<b>Superior</b>	<b>Inferior</b>	<b>Inferior</b>
Frontage	<i>788 feet on Tamiami Trail</i>	<i>4,400 feet along SR 82</i>	<i>1,450 feet on Tamiami Trail</i>	<i>1 mile along Tamiami Trail</i>	<i>4,100 feet on Bermont Road</i>
		<b>Superior</b>	<b>Similar</b>	<b>Similar</b>	<b>Superior</b>
Utilities / Infrastructure	<i>Well &amp; Septic</i>	<i>Well &amp; Septic</i>	<i>Available</i>	<i>Available</i>	<i>Well &amp; Septic</i>
		<b>Similar</b>	<b>Superior</b>	<b>Superior</b>	<b>Similar</b>
Topography	<i>Varying</i>	<i>Varying</i>	<i>Generally level</i>	<i>Generally level</i>	<i>Varying</i>
		<b>Similar</b>	<b>Slightly Superior</b>	<b>Slightly Superior</b>	<b>Similar</b>
Easements / Encumbrances	<i>None detrimental</i>	<i>None detrimental</i>	<i>None detrimental</i>	<i>None detrimental</i>	<i>None detrimental</i>
		<b>Similar</b>	<b>Similar</b>	<b>Similar</b>	<b>Similar</b>
Overall Comparison		<b>Superior</b>	<b>Superior</b>	<b>Inferior</b>	<b>Inferior</b>
Indication for Unencumbered Land		<b>Lower than \$31,973</b>	<b>Lower than \$31,563</b>	<b>Higher than \$15,545</b>	<b>Higher than \$15,025</b>

## ADJUSTMENT PROCESS

The sales that we have utilized represent the best available information that could be compared to the subject property. The major elements of comparison for an analysis of this type include the property rights conveyed, the financial terms incorporated into a particular transaction, the conditions or motivations surrounding the sale, changes in market conditions since the sale, the location of the real estate, its physical traits and the economic characteristics of the property.

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## TRANSACTIONAL ADJUSTMENTS

### *Property Rights Conveyed*

This adjustment accounts for any impact that the property rights transferred to the buyer may have on sale price. For leased fee properties, the length of leases in place and the relationship of market to contract rent could impact value. Some properties may have stronger appeal to an owner-user or an investor, resulting in a premium or discount associated with fee simple property rights. If a buyer acquires the leasehold interest in a comparable, then an adjustment may be necessary that accounts for the impact to the of ground rent and/or risk associated with the expiration of the ground lease to the sale price. Each of these properties was purchased in Fee Simple interest representing similar property rights to the unencumbered area of the subject property. No adjustments for property rights acquired are needed.

### *Financing Terms*

This category accounts for differences in financing terms associated with the transaction. Financing arrangements that may require an adjustment include mortgage assumptions (at favorable interest rates), seller buydowns, installment sales, wrap-around loans, or any other atypical financing arrangements that do not represent cash-equivalent terms. No unique or favorable financing was used in acquiring these properties. No adjustment is necessary for financing terms.

### *Terms/Conditions of Sale*

Adjustments for conditions of sale typically reflect various motivations of the buyer and/or seller. This may include such factors as seller distress (short sale, REO, auction) or buyer motivation (assemblage, etc.). In some situations, the conditions of sale may significantly affect transaction prices. Properties that are listed for sale may require adjustments herein to account for any disparity between asking prices and the achievable sale price anticipated. Each of these sales is confirmed to be an arm's length transaction. There were no unique conditions of sale.

### *Market Conditions*

This adjustment category accounts for differences in economic conditions between the effective date of appraisal and the transaction date of the comparable, such as may be caused by changing supply and demand factors, rental rates, vacancy rates and/or capitalization rates. Land values have been on the rise over the past couple of years. An upward 5% per year market conditions adjustment has been made to each of the sale prices calculated on a monthly basis.

## PROPERTY ADJUSTMENTS

### *Location*

The appeal of a property's location to users of and/or investors in a particular property type can influence value significantly. This factor broadly considers the impact of demographics, geographical attributes, access to transportation networks and local land use trends on pricing. Comparisons of location can often be derived, or even quantified, by examining rent, vacancy, capitalization rate, and land value trends in the subject and directly competitive areas. The subject is located in an unincorporated area of Charlotte County between Punta Gorda and Cape Coral. Sales 2 and 3 are in similar locations in close proximity. Sale 1 is in Lehigh Acres in a similar rural location along State Road 82. Sale 4 is in a more remote location judged to be inferior to that of the subject. An upward price adjustment would be needed for comparison.

**Site Size**

Size and pricing typically have an inverse relationship, whereby larger sites tend to achieve lower pricing on a per-acre basis. This is attributable to economies of scale, as well as the narrower pool of prospective buyers for a larger property. The unencumbered portion of the subject property is 655 acres. Sales 1 and 2 are similar in size. The per-acre prices of Sales 3 and 4 would require upward adjustments for comparison based on their larger overall sizes.

**Zoning / Intended Use**

The value of vacant land is largely contingent upon its potential use. This factor considers the uses permitted by the applicable development standards, per the subject's zoning designation. The maximum density to which a property can be developed typically impacts total value positively; however, depending upon property type, location, and type of construction higher permitted densities can have an inverse relationship to pricing on a per-unit or per-square-foot basis. The subject has a site-specific planned development zoning to allow mining and reservoir use. The zoning and use of Sale 1 is similar. Sale 2 is zoned PD for superior residential development. The zoning of sales 3 and 4 are agricultural in nature providing for inferior used by comparison. Upward price adjustments would be needed for these two sales.

**Frontage**

Frontage characteristics of a property may have an impact upon sales price, as properties with a large amount of frontage along roadways, railways and waterways typically command a higher price than those without. The subject has nearly 800 feet of frontage along Tamiami Trail as well as some secondary roads to the north. The frontages of Sales 2 and 3 are judged to be similar to that of the subject. Sales 1 and 4 each have more than 4,000 feet of primary road frontage deemed superior to the frontage of the subject and downward price adjustments would be warranted.

**Utilities / Infrastructure**

Infrastructure adjustments may reflect differences in utility availability/capacity, developmental plans or other outside influences. The subject, Sale 1 and Sale 4 have no current access to public water and sewer services. The other two sales are considered to be superior in this regard.

**Topography**

Topography characteristics can influence pricing, as sites with more radical elevation changes typically increase site preparation/development costs when compared to a level site. The topography at the subject property is considered to be similar to topography of Sales 1 and 4. Sales 2 and 3 have slightly superior topography in comparison.

**Easements / Encumbrances**

This category may be used to illustrate differences in additional legal requirements (outside of zoning) such as reciprocal parking and/or access agreements, deed restrictions, easements, CCR's and other. Compared with the unencumbered areas of the subject property, each of the sales is judged to be similar with no known detrimental encumbrances.

**LAND VALUE CONCLUSION FOR UNENCUMBERED LAND COMPONENT**

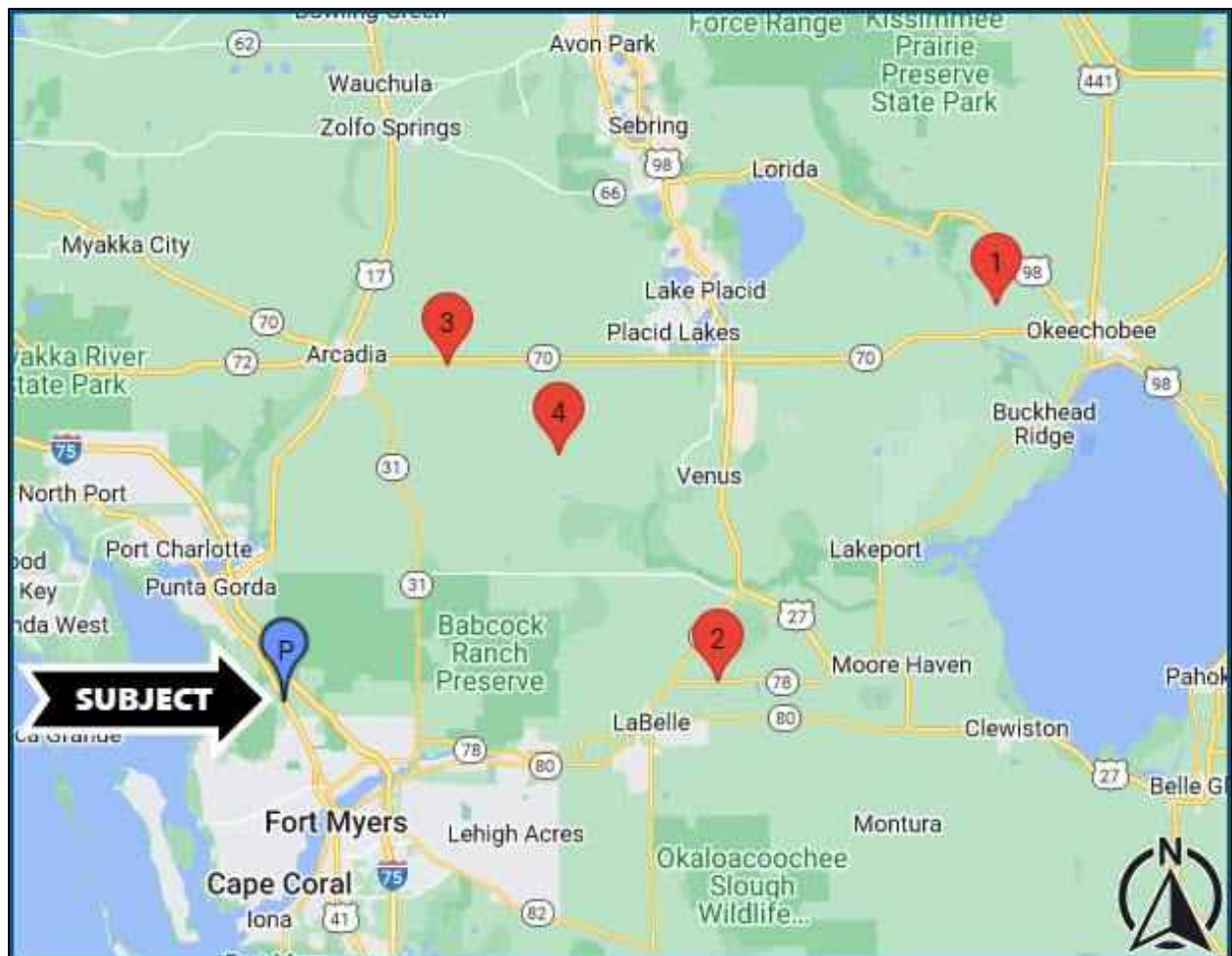
The unencumbered comparable land sales reflect a range from \$15,025 to \$31,973 per gross acre, with a mean and median of \$23,527 per acre and \$23,554 per acre, respectively. Based on the data available and the analyses presented, we have reconciled within this range to a value of \$20,000 per gross acre, calculated in the following table.

UNENCUMBERED LAND VALUE COMPONENT	
Indicated Value per Acre	\$20,000
Gross Acres	x 655
<b>Indicated Value of Unencumbered Land</b>	<b>\$13,100,000</b>

**ENCUMBERED LAND COMPONENT**

The number of encumbered land sales throughout the State of Florida is limited. A broader geographic search was required to obtain a sufficient number of sales to support value. These sales are all located in south central Florida. On the following pages, we present a summary of the properties that we compared to the subject property, a map showing their locations, and the adjustment process.

**COMPARABLE LAND SALES MAP**



SUMMARY OF ENCUMBERED LAND SALES									
Comp No.	Property / Location	Date of Sale	Transaction Status	Site Size (Gross Acres)	Zoning	Price per Gross Acre	Topography	Easements	Utilities
1	Conservation Easement 3820 Northwest 128th Avenue Okeechobee, FL	Jun-22	Closed	323	AC	\$2,474	Generally level	Perpetual Conservation Easement	None
2	Conservation Easement Florida 78 Moore Haven, FL	Apr-20	Closed	451	OUA	\$2,586	Generally level	Perpetual Conservation Easement	None
3	Conservation Easement 9809 Florida 70 Arcadia, FL	Feb-20	Closed	11,441	A-10	\$1,597	Generally level	Perpetual Conservation Easement	None
4	Conservation Easement Southeast Highlands County Line Road Arcadia, FL	Sep-19	Closed	3,716	A-10	\$1,450	Generally level	Perpetual Conservation Easement	None
<b>Subj.</b>	Southwest Aggregates 16470 Tamiami Trail Punta Gorda, Florida	—	—	550	PD	—	Generally level	Perpetual Conservation Easement	None

**COMMENTS**

- 1 - Earth Tech Enterprises, a Seagate company, began mining the site starting in June 2022.
- 2 - The community will consist of 1,389 total units. Development plans for Phase 1 include 344 home sites and community amenities. Construction was anticipated to begin in 2022 with pricing from the high \$200,000s.
- 3 - Zemel family sold hundreds of acres of agricultural land to MHC Pine Lakes for the expansion of an established 362-acre mobile home park. The zoning of the property was subsequently changed from Agricultural to Mobile Home Planned Development for 300+ new homes.
- 4 - 998± acres of recreation land, a former multi-themed outdoor adventure park with agricultural zoning. Opportunity for material extraction, an RV park, farming, hunting or other agricultural use in addition to the recreation component Charlotte County special exception in place for a recreation facility with a multitude of uses.

**COMPARABLE ENCUMBERED LAND SALES ADJUSTMENT GRID**

COMPARABLE LAND SALE ADJUSTMENTS					
	Subject	Comp 1	Comp 2	Comp 3	Comp 4
Property / Location	Southwest Aggregates 16470 Tamiami Trail Punta Gorda, Florida	Conservation Easement 3820 Northwest 128th Avenue Okeechobee, FL	Conservation Easement Florida 78 Moore Haven, FL	Conservation Easement 9809 Florida 70 Arcadia, FL	Conservation Easement Southeast Highlands County Line Road Arcadia, FL
Transaction Status	----	Closed	Closed	Closed	Closed
Date of Sale	----	Jun-22	Apr-20	Feb-20	Sep-19
Site Size (Gross Acres)	550	220	226	8,009	2,155
Sale Price	----	\$800,000	\$1,167,250	\$18,273,800	\$5,388,600
Zoning	PD-20-00003	AC	OUA	A-10	A-10
<b>Unadjusted Price per Acre</b>	----	<b>\$2,474</b>	<b>\$2,586</b>	<b>\$1,597</b>	<b>\$1,450</b>
Transactional Adjustments					
Property Rights Conveyed	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>
Financing Terms	<i>Cash Equivalent</i>	<i>Cash Equivalent</i>	<i>Cash Equivalent</i>	<i>Cash Equivalent</i>	<i>Cash Equivalent</i>
Conditions of Sale	<i>Arm's Length</i>	<i>Arm's Length</i>	<i>Arm's Length</i>	<i>Arm's Length</i>	<i>Arm's Length</i>
Market Conditions	<i>Mar-23</i>	<i>Jun-22</i>	<i>Apr-20</i>	<i>Feb-20</i>	<i>Sep-19</i>
Adjustment		4.00%	15.00%	16.00%	18.00%
<b>Adjusted Price per Acre</b>		<b>\$2,573</b>	<b>\$2,973</b>	<b>\$1,853</b>	<b>\$1,711</b>
Property Adjustments					
Location	<i>Punta Gorda</i>	<i>Okeechobee</i>	<i>LaBelle</i>	<i>Arcadia</i>	<i>Desoto County</i>
		<b>Similar</b>	<b>Similar</b>	<b>Similar</b>	<b>Inferior</b>
Site Size (Ac)	550	220	226	8,009	2,155
		<b>Similar</b>	<b>Similar</b>	<b>Inferior</b>	<b>Inferior</b>
Intended Use	<i>Conservation</i>	<i>Conservation</i>	<i>Conservation</i>	<i>Conservation</i>	<i>Conservation</i>
		<b>Similar</b>	<b>Similar</b>	<b>Similar</b>	<b>Similar</b>
Utilities / Infrastructure	<i>Well &amp; Septic</i>	<i>Well &amp; Septic</i>	<i>Well &amp; Septic</i>	<i>Well &amp; Septic</i>	<i>Well &amp; Septic</i>
		<b>Similar</b>	<b>Similar</b>	<b>Similar</b>	<b>Similar</b>
Topography	<i>Generally level</i>	<i>Generally level</i>	<i>Generally level</i>	<i>Generally level</i>	<i>Generally level</i>
		<b>Similar</b>	<b>Similar</b>	<b>Similar</b>	<b>Similar</b>
Easements / Encumbrances	<i>Conservation Easement</i>	<i>Conservation Easement</i>	<i>Conservation Easement</i>	<i>Conservation Easement</i>	<i>Conservation Easement</i>
		<b>Similar</b>	<b>Similar</b>	<b>Similar</b>	<b>Similar</b>
Overall Comparison		<b>Similar</b>	<b>Similar</b>	<b>Inferior</b>	<b>Inferior</b>
Indication for Encumbered Land		<b>Similar to</b>	<b>Lower than</b>	<b>Higher than</b>	<b>Higher than</b>
		<b>\$2,573</b>	<b>\$2,973</b>	<b>\$1,853</b>	<b>\$1,711</b>

**TRANSACTIONAL ADJUSTMENTS**

***Property Rights Conveyed***

This adjustment accounts for any impact that the property rights transferred to the buyer may have on sale price. For leased fee properties, the length of leases in place and the relationship of market to contract rent could impact value. Some properties may have stronger appeal to an owner-user or an investor, resulting in a premium or discount associated with fee simple property rights. If a buyer acquires the leasehold interest in a comparable, then an adjustment may be necessary that accounts for the impact to the of ground rent and/or risk associated with the expiration of the ground lease to the sale price. Each of these properties was encumbered by a perpetual conservation easement at the time of purchase representing similar property rights to the encumbered area of the subject property. No adjustments for property rights acquired are needed.

***Financing Terms***

This category accounts for differences in financing terms associated with the transaction. Financing arrangements that may require an adjustment include mortgage assumptions (at favorable interest rates), seller buydowns, installment sales, wrap-around loans, or any other atypical financing arrangements that do not represent cash-equivalent terms. No unique or favorable financing was used in acquiring these properties. No adjustment is necessary for financing terms.

***Terms/Conditions of Sale***

Adjustments for conditions of sale typically reflect various motivations of the buyer and/or seller. This may include such factors as seller distress (short sale, REO, auction) or buyer motivation (assemblage, etc.). In some situations, the conditions of sale may significantly affect transaction prices. Properties that are listed for sale may require adjustments herein to account for any disparity between asking prices and the achievable sale price anticipated. Each of these sales is confirmed to be an arm's length transaction. There were no unique conditions of sale.

***Market Conditions***

This adjustment category accounts for differences in economic conditions between the effective date of appraisal and the transaction date of the comparable, such as may be caused by changing supply and demand factors, rental rates, vacancy rates and/or capitalization rates. Land values have been on the rise over the past couple of years. An upward 5% per year market conditions adjustment has been made to each of the sale prices calculated on a monthly basis.

**PROPERTY ADJUSTMENTS*****Location***

The appeal of a property's location to users of and/or investors in a particular property type can influence value significantly. This factor broadly considers the impact of demographics, geographical attributes, access to transportation networks and local land use trends on pricing. Comparisons of location can often be derived, or even quantified, by examining rent, vacancy, capitalization rate, and land value trends in the subject and directly competitive areas. Sales 1, 2 and 3 are judged to be in similar locations to the subject. Sale 4 is in a more remote location and would require upward price adjustments for comparison on the basis of location.

***Site Size***

Size and pricing typically have an inverse relationship, whereby larger sites tend to achieve lower pricing on a per-acre basis. This is attributable to economies of scale, as well as the narrower pool of prospective buyers for a larger property. The encumbered subject area is 550 acres deemed similar to Sales 1 and 2. Sales 3 and 4 are much larger justifying an upward price adjustment on a per-acre basis.

***Intended Use***

The value of vacant land is largely contingent upon its potential use. This factor considers the uses permitted by the applicable development standards, per the subject's zoning designation. The maximum density to which a property can be developed typically impacts total value positively; however, depending upon property type, location, and type of construction higher permitted densities can have an inverse relationship to pricing on a per-unit or per-square-foot basis. Irrelevant of the zoning designation, the intended use of each of these parcels is for conservation and preservation, similar to that of the subject. No adjustments are required for this category.

**Utilities / Infrastructure**

Infrastructure adjustments may reflect differences in utility availability/capacity, developmental plans or other outside influences. All of the properties were considered similar to the subject and no adjustments were required for this category.

**Topography**

Topography characteristics can influence pricing, as sites with more radical elevation changes typically increase site preparation/development costs when compared to a level site. Topography is minimal impact on the use of a conservation parcel, therefore, no adjustments are required for differences in topography.

**Easements / Encumbrances**

This category may be used to illustrate differences in additional legal requirements (outside of zoning) such as reciprocal parking and/or access agreements, deed restrictions, easements, CCR's and other. Compared with the unencumbered areas of the subject property, each of the sales is judged to be similar with no known detrimental encumbrances.

**LAND VALUE CONCLUSION FOR ENCUMBERED LAND COMPONENT**

The encumbered comparable land sales reflect a range from \$1,711 to \$2,973 per gross acre, with a mean and median of \$2,277 per acre and \$2,213 per acre, respectively. Based on the data available and the analyses presented, we have reconciled within this range to a value of \$2,500 per gross acre, calculated in the following table.

<b>ENCUMBERED LAND VALUE COMPONENT</b>	
Indicated Value per Acre (Net)	\$2,500
Acres (Gross)	x 550
<b>Indicated Value</b>	<b>\$1,375,000</b>

**AND VALUE CONCLUSION**

Total land value is comprised of the unencumbered and encumbered portions totaling 1,205 acres of land used for the water storage reservoir.

<b>LAND VALUE CONCLUSION</b>	
Unencumbered Land Value Component	\$13,100,000
Encumbered Land Value Component	+ \$1,375,000
<b>Indicated Land Value</b>	<b>\$14,475,000</b>
<b>Rounded to nearest \$100,000</b>	<b>\$14,500,000</b>
<b>Per Gross Acre (1,205 acres)</b>	<b>\$12,033</b>

This represents the value of the unimproved land only under the hypothetical condition that no mining pits exist. For a reservoir use, such a site would have to be improved through excavations to develop a containment area capable of storing 3.9-billion gallons of water. The cost of developing such a pit is analyzed in the next section of this report.

# COST APPROACH

## METHODOLOGY

The Cost Approach is based on the principle of substitution, which states that no prudent person will pay more for a property than the cost of acquiring a site and constructing, without undue delay, an equally desirable and useful property. The steps have been outlined in the Valuation Process section of this report.

## REPLACEMENT COST NEW

The cost of land has been estimated in the prior section. The next step in the Cost Approach is to estimate the Cost of creating a similar water storage reservoir. The two former mining pits on the subject property have been developed over the past 30-years of excavations totaling approximately 580 acres. These pits have been excavated to an average depth of 22 feet having a total capacity of 12,000 acre-feet or 3.9-billion gallons.

The estimation of Reproduction Cost can be either extremely complex and very detailed or very simplistic. Without the assistance of engineers, geologists, or operators involved in mining operations, we have opted to present this approach as simply as possible based on the cost to construct a pit with similar storage capacity added to the market value of the land.

From several prior appraisals we have prepared on the subject and other mining properties over the past 10 years, we know that these costs consist of excavating millions of cubic yards of material (both overburden and limerock), drilling, stockpiling, and transportation of materials, dewatering to include ditches, canals, and pumping along with other indirect costs as well as any required reclamation. The development of a ground-level reservoir that could accommodate 12,000 acre-feet of storage would require the removal of 19,360,000 cubic yards of aggregate materials.

From a review of historic financial records of subject mining operations, historical excavation costs have averaged \$4.45 per ton. Based upon the density of the rock, this is equivalent to approximately \$3.42 per cubic yard ( $\$4.45/1.3$ ). To reconstruct a substitute below-grade reservoir, it is reasonable to conclude that these costs would be incurred in the development. We have researched the marketplace for additional support of excavation costs, as well as comparable costs for reservoirs. The data we have gathered from the marketplace is briefly summarized in the following grid.

COST COMPARABLES				
No.	Name	Location	Size (acres)	Excavation Costs (per cy)
<b>Subject</b>	Southwest Aggregates	Charlotte County	580	\$3.42
<b>1</b>	Lake Point Restoration	Martin County	985	\$2.94
<b>2</b>	Bonita Grande Aggregates	Lee County	898	\$3.46
<b>3</b>	Palm Beach Aggregates	Palm Beach County	942	\$3.62
<b>4</b>	Anderson Columbia	Lake County	357	\$3.72
<b>5</b>	Kirby Mine	Lake County	302	\$3.58
<b>6</b>	Atlantic Civic	Miami Dade County	250	\$4.02
<b>7</b>	Harmon Bros.	Collier County	115	\$3.50
		<b>Mean</b>	<b>554</b>	<b>\$3.53</b>

Based upon market evidence, the excavation costs range from a low of \$2.94 per cubic yard to a high of \$4.02 per cubic yard. The mean of all comparable excavation costs is \$3.53 per cubic yard. In our opinion, excavation costs rounded to \$3.50 per cubic yard would be considered reasonable and supportable. Using this unit of cost the cost of excavating a reservoir the size of the subject would be as follows:

EXCAVATION COSTS	
Capacity in Acre-feet	12,000
x Feet per Acre	43,560
Cubic Feet	522,720,000
÷ Cubic Feet per Cubic Yard	27
<b>Capacity in Cubic Yards</b>	<b>19,360,000</b>
x Excavation Cost per Cubic Yard	\$3.50
<b>Indicated Excavation Cost</b>	<b>67,760,000</b>
Per Acre-foot	5,647

In further support, we have researched the market for development costs associated with other reservoirs. A brief summary of costs excluding land value is found on the following grid.

COMPARABLE RESERVOIR DEVELOPMENT COSTS						
	South C-44 Reservoir	Peace River Reservoir #2	L-8 (Alternative)	Tampa Bay Water	Central Lakebelt	North Lakebelt
Year	2022	2009	2002	2000	1999	1999
County	Martin County	DeSoto County	Palm Beach County	Hillsborough County	Dade County	Dade County
Total Land Area (Acres)	12,000	6,000	4,240	5,232	5,770	5,120
Reservoir Size (Acres)	3,537	640	3,994	980	5,200	4,500
Depth (ft)	16.5±	28±	10'	50±	8' - 36'	12' - 20'
Storage Capacity (Ac-Ft)	57,815	18,413	39,848	48,000	169,280	80,000
Reported Cost	\$419-million	\$65-million	\$127-million	\$131-million	\$396-million	\$381-million
Original Cost per Ac-Ft	\$7,247	\$3,530	\$3,186	\$2,725	\$2,337	\$4,765
Time Adjustment	x 1.03	x 1.40	x 1.68	x 1.75	x 1.75	x 1.75
Adjusted Cost per Ac-Ft	<b>\$7,465</b>	<b>\$4,942</b>	<b>\$5,352</b>	<b>\$4,769</b>	<b>\$4,090</b>	<b>\$8,339</b>
					Mean	<b>\$5,826</b>

South C-44 Reservoir – Also known as the Indian River Lagoon-South C-44 Reservoir and Stormwater Treatment Area. This project was completed November 2022 at a reported cost of \$419-million. The entire C-44 Reservoir and STA project occupies about 12,000 acres on the north side of the St. Lucie Canal in Martin County. A 100 ft wide intake canal extends nearly 21,000 ft from the C-44 Canal to a pump station that transfers flows from the intake canal to the reservoir. The pump station is equipped with four electric 1,750 hp pumps, each of which is designed to deliver 275 cfs, for a total capacity of 1,100 cfs.

Peace River Reservoir #2 – This is a man-made reservoir completed in 2009. This reservoir was constructed as an earthen embankment that is approximately four miles long with an average height of 35 feet above grade providing 6-billion gallons of raw water storage from the Peace River for treatment and distribution of potable water.

L-8 Alternative – This is a cost estimate provided by the South Florida Water Management District. Since it includes the costs of pumps and spillways, we have left these costs in the other cost comparables and not made any deduction for same. This cost estimate also accounts for wetland mitigation, seepage control/liner and distance to inflow/discharge.

Tampa Bay Water – This appraiser worked with Tampa Bay Water and the Southwest Florida Water Management District on this project in the past. The acreage was acquired under both friendly acquisition, as well as through eminent domain proceedings. The proposed costs of creating the reservoir were obtained from Mr. Ed Copeland of HDR Engineering, Inc. that had worked on the project for the District and Tampa Bay Water. A breakdown of the costs, excluding any land value, is as follows:

TAMPA BAY WATER	
Construction Contract	\$86,300,000
Pipeline Construction Contract	\$16,500,000
Design, Engineering & Permitting	\$16,000,000
Construction Management Contract	\$9,000,000
Easements Acquisitions	\$3,000,000
<b>Total</b>	<b>\$130,800,000</b>

Central Lakebelt – These costs reflect those estimated by the U.S. Army Corps of Engineers (USACOE). The total water storage capacity per acre/feet was based upon a reservoir area of 4,560 acres at a depth of 36 feet and a STA area of 640 acres at a depth of 8 feet. It has been adjusted for time based upon the consumer price index.

North Lakebelt – These costs were estimated by the USACOE in April 1999 and have been adjusted for time. The total water storage capacity per acre/feet was based upon a reservoir area of 3,250 acres at a depth of 20 feet and a STA area of 1,250 acres at a depth of 12 feet.

In conclusion, these comparable reservoir costs ranged from a low of \$4,090 per acre-foot to a high of \$8,339 per acre-foot, excluding any land value. The estimated replacement cost for the subject based on extraction costs is 5,647 per acre-foot. All things considered, the cost of excavation for 12,000 acre-feet of water storage at the subject property is estimated to be approximately \$5,000 per acre-foot or \$60,000,000. This total development cost is less than the total reported costs for a majority of the presented comparable reservoirs.

## COST APPROACH CONCLUSION

The following table provides a summary of the Cost Approach and concludes an opinion of the Value in Use as a 12,000 acre-foot water storage reservoir in this location.

COST APPROACH SUMMARY	
Water Storage Capacity	12,000
Development Cost per Acre-foot	\$5,000
Indicated Development Cost	\$60,000,000
Plus: Land Value	\$14,500,000
<b>Indicated Use Value as a Reservoir</b>	<b>\$74,500,000</b>
Per Acre-foot	\$6,208

# SALES COMPARISON APPROACH

## METHODOLOGY

In the Sales Comparison Approach, we developed an opinion of value by comparing similar, recently sold properties in the surrounding or competing area to the subject property. In order to determine the value of the subject property, these comparable sales are then evaluated and adjusted based on their differences when compared to the subject property. Inherent in this approach is the principle of substitution, which states that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution.

The Sales Comparison Approach to value requires the following sequential steps:

<b>Unit of Comparison</b>	A unit of comparison (i.e. price per square foot, price per dwelling unit) must be selected for comparable analysis of the sales and the subject. The selected unit of comparison must be consistent with market behavior.
<b>Search for Sales</b>	Research must be done to locate comparable sales, listings and contracts of properties that are similar to the subject. Similarities may include property type, size, physical condition, location and the date of the sale.
<b>Confirmation</b>	All sales must be confirmed to verify that the data used is accurate, and that all of the sales, listings or contracts represent arm's-length transactions.
<b>Comparison</b>	Each of the improved sales that is chosen for this valuation is considered generally similar to the subject. Therefore, each difference between the comparables and the subject must be identified, and then adjusted for the various differences. All adjustments are made to the comparables as they relate to the subject property.
<b>Reconciliation</b>	Once the comparables have been adjusted, a value must be concluded based on the indications produced from the analysis of the comparables.

## UNITS OF COMPARISON

Based on market behavior observed, the most appropriate unit of comparison for this analysis is price per acre-foot.

## SALE OF THE SUBJECT PROPERTY

In the absence of a title search or chain of title, the subject property sales history has been determined from the Charlotte County Tax Roll and Official Records. After a search of the public records, we have found no arm's length transactions involving this property in the past five-year reporting period. The property was assembled by the current owners over several years beginning in 1996. The most recent transaction was in 2009. Southwest Aggregates has a royalty agreement with the property owner, Neslund Family Partnership, to mine the property. There is also an agreement with the City of Cape Coral to supply raw water via roadside ditch to the freshwater canals west of Gator Slough. The property is not currently listed for sale and we were not apprised of any contracts or offers to lease or purchase the property.

## COMPARABLE IMPROVED SALES

A diligent search around the state of Florida produced no sales of similar water storage reservoirs. The search was expanded nationwide where we found some sales activity in Georgia and Colorado. Each of these properties were developed as a mining property and subsequently sold to a municipality for water storage. These sales have been compared to the subject on the basis of water storage capacity using price per acre-foot as the unit of comparison. On the following pages, we present a summary of the improved properties that we compared to the subject property, a map showing their locations, and the adjustment process.

## COMPARABLE IMPROVED SALES MAP



## COMPARABLE IMPROVED SALES SUMMARY AND SALES ADJUSTMENT GRID

SUMMARY OF IMPROVED SALES							
Comp No.	Property / Location	Reservoir Delivery Date	Property Rights	Reservoir Capacity	Site Size (Acres)	Adjusted Sale Price	Price per Acre-foot
1	Vulcan Bellwood Quarry 900 Lois Street Northwest Atlanta, GA	2008	Fee Simple	5,830	50	\$20,000,000	\$3,431
2	East Cooley Pit E. 104th Avenue Thornton, CO	2016	Fee Simple	4,000	145	\$13,020,000	\$3,255
3	Rogers Pit Tuscon Resource Mine M-1991-140 Todd Creek, CO	2010	Fee Simple	3,000	98	\$7,200,000	\$2,400
4	Hammer Pit 14790 Riverdale Road Brighton, CO	2010	Fee Simple	2,600	120	\$7,800,000	\$3,000
5	West Cooley Pit 10100 McKay Road Henderson, CO	2006	Fee Simple	4,500	140	\$13,103,000	\$2,912
6	North Dahlia Pit Dahlia Street Henderson, CO	2000	Fee Simple	2,700	145	\$7,695,000	\$2,850
<b>Subj.</b>	Southwest Aggregates 16470 Tamiami Trail Punta Gorda, Florida	2023	Fee Simple	12,000	580	-----	-----

COMPARABLE SALE SUMMARIES AND ADJUSTMENTS							
Property / Location	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5	Comp 6
Property / Location	Southwest Aggregates 16470 Tamiami Trail Punta Gorda, Florida	Vulcan Bellwood Quarry 900 Lois Street Northwest Atlanta, GA	East Cooley Pit E. 104th Avenue Thornton, CO	Rogers Pit Tuscon Resource Mine M-1991-140 Todd Creek, CO	Hammer Pit 14790 Riverdale Road Brighton, CO	West Cooley Pit 10100 McKay Road Henderson, CO	North Dahlia Pit Dahlia Street Henderson, CO
Reservoir Delivery Date	Jul-05	2008	2016	2010	2010	2006	2000
Date of Sale / Status	----	Jun-2006 Closed	Dec-2000 Closed	Dec-2000 Closed	Dec-2000 Closed	Dec-2000 Closed	Dec-2000 Closed
Reservoir Capacity (Acre_feet)	12,000	5,830	4,000	3,000	2,600	4,500	2,700
Site Size (Acres)	580.00	50.00	145.00	98.00	120.00	140.00	145.00
Adjusted Sale Price	----	\$20,000,000	\$13,020,000	\$7,200,000	\$7,800,000	\$13,103,000	\$7,695,000
Unadjusted Price per Acre-Foot	----	<b>\$3,430.53</b>	<b>\$3,255.00</b>	<b>\$2,400.00</b>	<b>\$3,000.00</b>	<b>\$2,911.78</b>	<b>\$2,850.00</b>
<b>Transactional Adjustments</b>							
Property Rights Conveyed	<b>Fee Simple</b>	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>
Adjustment		0%	0%	0%	0%	0%	0%
Financing	<b>Cash Equivalent</b>	<i>Cash Equivalent</i>	<i>Cash Equivalent</i>	<i>Cash Equivalent</i>	<i>Cash Equivalent</i>	<i>Cash Equivalent</i>	<i>Cash Equivalent</i>
Adjustment		0%	0%	0%	0%	0%	0%
Terms/Conditions of Sale	<b>Arm's Length</b>	<i>Arm's Length</i>	<i>Arm's Length</i>	<i>Arm's Length</i>	<i>Arm's Length</i>	<i>Arm's Length</i>	<i>Arm's Length</i>
Adjustment		0%	0%	0%	0%	0%	0%
Market Conditions at Delivery	<b>2023</b>	2008	2016	2010	2010	2004 & 2006	2000
Adjustment for Inflation		<b>40%</b>	<b>25%</b>	<b>38%</b>	<b>38%</b>	<b>50%</b>	<b>50%</b>
Adjusted Price per Acre-Foot		<b>\$4,802.74</b>	<b>\$4,068.75</b>	<b>\$3,312.00</b>	<b>\$4,140.00</b>	<b>\$4,367.67</b>	<b>\$4,275.00</b>
<b>Property Adjustments</b>							
Location	<b>Suburban</b>	<i>Urban Superior</i>	<i>Suburban Similar</i>	<i>More remote Inferior</i>	<i>More remote Inferior</i>	<i>Suburban Similar</i>	<i>Suburban Similar</i>
Size	<b>12,000</b>	<i>5,830 Inferior</i>	<i>4,000 Inferior</i>	<i>3,000 Inferior</i>	<i>2,600 Inferior</i>	<i>4,500 Inferior</i>	<i>2,700 Inferior</i>
Access	<b>US 41</b>	<i>Lois St NW Similar</i>	<i>E. 104th Avenue Inferior</i>	<i>Tuscon Street Similar</i>	<i>Riverdale Road Similar</i>	<i>McKay Road Similar</i>	<i>E 88th Avenue Inferior</i>
Water Sources	<b>Babcock-Webb</b>	<i>Similar</i>	<i>Platte River Basin Similar</i>	<i>Platte River Basin Similar</i>	<i>Platte River Basin Similar</i>	<i>Platte River Basin Similar</i>	<i>Platte River Basin Similar</i>
Depth	<b>20 - 25 feet</b>	<i>400 feet Superior</i>	<i>20 - 25 feet Similar</i>	<i>25 - 30 feet Slightly Superior</i>	<i>20 - 25 feet Similar</i>	<i>30 - 35 feet Slightly Superior</i>	<i>15 - 20 feet Slightly Inferior</i>
Zoning / Intended Use	<b>Planned Dev</b>	<i>Industrial Similar</i>	<i>Mining Conservation Similar</i>	<i>Mining Conservation Similar</i>	<i>Mining Conservation Similar</i>	<i>Mining Conservation Similar</i>	<i>Agricultural Similar</i>
Overall Comparison		<b>Superior</b>	<b>Similar</b>	<b>Inferior</b>	<b>Inferior</b>	<b>Similar</b>	<b>Similar</b>
Indication for Subject		<b>Lower than \$4,802.74</b>	<b>Similar to \$4,068.75</b>	<b>Higher than \$3,312.00</b>	<b>Higher than \$4,140.00</b>	<b>Similar to \$4,367.67</b>	<b>Similar to \$4,275.00</b>

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**COMMENTS**

1 - The City of Atlanta purchased the Bellwood Quarry property from Vulcan Materials Company for approximately \$40 million. Approximately \$25 million was paid for Vulcan's interest in a long-term lease agreement. The underlying fee simple land was acquired for \$15.2 million. This property had been operating as a granite quarry for the past 100 years. The City of Atlanta purchased the property for use as a 50-acre drinking water reservoir with a capacity of 1.9 billion gallons. Vulcan Materials had been mining the site since 1998. The agreement allows for continued mining operations for a period of two additional years under a lease from the City. In 2016, testing began for a \$280 million project linking the quarry with the Chattahoochee River via a five-mile tunnel. Surrounding properties have been assembled totaling a 280-acre "green space" park for the benefit of the Atlanta residents.

2 - According to the Option and Purchase Agreement, there are two stated prices. Those being \$1,000,000 as the option price and the other being a price of \$3,005 acre-foot for the water storage capacity. This pit includes a soil-bentonite liner in the cost of construction. Also includes a dam. The seller performed all remedial, removal, and mitigation measures at its expense provided the cost does not exceed \$3,255,000. The sale price was agreed upon and the result of a Settlement Agreement. The reservoir was delivered in 2016. All permits were paid by seller. This property has been annexed into the City of Thornton.

3 - According to the Option and Purchase Agreement reviewed, the seller had expected to be complete with mining operations and have the water storage reservoir ready for delivery to the City of Thornton by December 31, 2002. It was not delivered until 2010. The sale price was the result of a Settlement Agreement. An allocation of the purchase price between amounts received for the Reservoir and amounts received in exchange for services performed to prepare the Reservoir for sale to the City of Thornton (Service Fee) was made by the seller. This reservoir has a soil-bentonite liner that was installed by the seller. All permits were paid by seller for approval of reservoir for water storage. The site is adjacent to an abandoned railroad right-of-way (Boulder Branch of Union Pacific Railroad Company).

4 - According to the Option and Purchase Agreement reviewed, the seller originally anticipated delivery of the reservoir with a water storage capacity of 2,600 acre-foot by December 31, 2006 when all mining operations were to be complete and the soil-bentonite liner installed and paid for by the seller. The sale price of \$3,000 acre-foot was the result of a Settlement Agreement. The option date, or date of delivery was in 2010. Seller determined allocation of the sale price between amounts received in exchange for the reservoir and amounts received in exchange for services performed to prepare the reservoir for the City of Thornton. All permits were paid by seller. Seller agreed to perform all remedial, removal, and mitigation actions identified in Phase I not to exceed \$1,950,000. Closing costs were split 50%/50%.

5 - Based upon review of the Option & Purchase Agreement, the seller anticipated delivery of 4,500 acre-foot reservoir to the City of Thornton by December 31, 2006 when all mining will be complete and the reservoir with soil-bentonite liner installed. The transfers were made in phases in 2004 and 2006. The cost of the liner was borne by the seller. The sale price was established by a Settlement Agreement. The payment for the option was \$1,250,000. The balance was based upon having 4,500 acre-foot of water storage capacity at a price of \$2,912 per acre-foot. All permits were paid by seller. The seller performed all remedial, removal, and mitigation actions identified in the Phase I at its expense not to exceed \$3,275,750. Upon completion of reservoir, property was annexed to the City of Thornton.

6 - Mining was complete on this property at the time the purchase agreement was signed and available for use as a reservoir. Sale price was the result of a Settlement Agreement. Purchase price was based upon an agreed upon price of \$2,850 per acre-foot for water storage rights. All permits to be paid by the seller for approval of reservoir for water storage. Seller to fence entire property and provide access road at their cost.

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## ADJUSTMENT PROCESS

The sales that we have utilized represent the best available information that could be compared to the subject property. The major elements of comparison for an analysis of this type include the property rights conveyed, the financial terms incorporated into a particular transaction, the conditions or motivations surrounding the sale, changes in market conditions since the sale, the location of the real estate, its physical traits and the economic characteristics of the property.

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## TRANSACTIONAL ADJUSTMENTS

### PROPERTY RIGHTS CONVEYED

This adjustment accounts for any impact that the property rights transferred to the buyer may have on sale price. For leased fee properties, the length of leases in place and the relationship of market to contract rent could impact value. Some properties may have stronger appeal to an owner-user or an investor, resulting in a premium or discount associated with fee simple property rights. If a buyer acquires the leasehold interest in a comparable, then an adjustment may be necessary that accounts for the impact to the of ground rent and/or risk associated with the expiration of the ground lease to the sale price. Each of the properties were transferred in Fee Simple Title. There is Fee Simple interest in the portion of the subject being used for reservoir. Therefore, no adjustments for property rights conveyed is necessary in this analysis.

### FINANCING TERMS

This category accounts for differences in financing terms associated with the transaction. Financing arrangements that may require an adjustment include mortgage assumptions (at favorable interest rates), seller buydowns, installment sales, wrap-around loans, or any other atypical financing arrangements that do not represent cash-equivalent terms. These properties were purchased with cash. No financing or unusual payment terms were used. Each of these sales prices is considered to be a cash equivalent price.

### TERMS/CONDITIONS OF SALE

Adjustments for conditions of sale typically reflect various motivations of the buyer and/or seller. This may include such factors as seller distress (short sale, REO, auction) or buyer motivation (assemblage, etc.). In some situations, the conditions of sale may significantly affect transaction prices. Properties that are listed for sale may require adjustments herein to account for any disparity between asking prices and the achievable sale price anticipated. All of the sale or option/purchase agreements were based upon negotiations between the buyer and seller. Moreover, while the City of Thornton was initially involved in eminent domain proceedings against the Cooley Gravel Company on their East and West Sprat Platte reservoirs, the sales included in this report were not the result of any eminent domain proceedings. These sale prices were negotiated between the buyer and seller after disposition of these two eminent domain proceedings involving reservoirs owned by Cooley Gravel Company. Therefore, no adjustments are warranted for unusual conditions of sale.

### MARKET CONDITIONS

This time-adjustment category accounts for differences in economic conditions between the effective date of appraisal and the transaction date of the comparable, such as may be caused by changing supply and demand factors, rental rates, vacancy rates and/or capitalization rates. Comparable Nos. 2 through 6 were negotiated during the fall of 2000. These sales entail an initial down payment with the remainder due if the option to purchase is exercised by the City of Thornton. The reservoir delivery dates represent the dates that the options were exercised. These prices have been adjusted from delivery date to present based on inflation quantified by changes to consumer price index over time.

## PROPERTY ADJUSTMENTS

### LOCATION

The appeal of a property's location to users of and/or investors in a particular property type can influence value significantly. This factor broadly considers the impact of demographics, geographical attributes, access to transportation networks and local land use trends on pricing. Comparisons of location can often be derived, or even quantified, by examining rent, vacancy, capitalization rate, and land value trends in the subject and directly competitive areas. The subject is located at the edge of suburban development between the Cities of Punta Gorda,

Fort Myers, and Cape Coral. Most of the comparable properties enjoy a similar type of location in relationship to the community that purchased them, usually being on the periphery. In the opinion of the appraiser, Comparable Nos. 2, 5, and 6 are considered to have similar locations to the subject. The locations of Comparable Nos. 3 and 4 were considered inferior mostly because of being somewhat more remote locations. Only Sale 1 was considered to be superiorly located in an established area within the loop of Atlanta, Georgia.

### **PROPERTY SIZE**

Normally, all other characteristics being equal, the unit value of a property is affected by its size. Building size and price per square foot typically have an inverse relationship. Larger buildings tend to achieve lower pricing on a per-unit basis due to their economies of scale, and smaller pool of prospective buyers. The subject reservoir is 576 acres in land area with a reported storage capacity of 12,000 acre-feet. Each of the sales are smaller ranging between 50 acres and 165 acres with capacities ranging from 2,700 acre-feet to 5,830 acre-feet. The subject offers "economies of scale" by having 576 acres of reservoir area in the same location. The City of Thornton had to acquire five (5) reservoirs in order to accumulate 739 acres and only 16,690 acre/feet of water storage capacity. Therefore, all of the comparable sales were considered inferior in this respect.

### **ACCESS**

The subject has a major traffic artery along its western boundary and secondary access along its northern boundary. This offers ample access for multiple points of entry. In considering the road system affecting each of the comparable properties, Comparable No. 1 was considered to have similar access and Sales 2 through 6 were deemed to be either slightly inferior or inferior to the subject. The use of these properties as water storage reservoirs does not rely on accessibility and therefore this factor is deemed to have little impact on prices.

### **WATER SOURCE**

The subject lies within the sheet flow from the Babcock-Webb Wildlife Area to the Yucca Pens area to the west. This water is channeled under Interstate 75 and through a drainage canal extended along the southern perimeter boundary of the subject property. Sale No. 1 is located proximate to the Caloosahatchee River. Sales 2 through 6 are located in the Platte River basin. Each of these properties is considered to have similar access to water flows in comparison to the subject. No adjustments are required for this attribute.

### **PIT DEPTH**

The depth of a reservoir is important in that less surface area per acre-foot allows for less evaporation than more shallow pits. The subject is approximately 22 feet deep, similar to Sales 2 through 6. Sale 1 has a maximum depth of 400 feet and is considered to be superior to the subject in this regard.

### **ZONING / INTENDED USE**

For improved properties, this factor considers the uses permitted by the applicable development standards, per the subject's zoning designation, and primarily relates to yet untapped potential. The maximum density to which a property can be developed typically impacts total value positively; however, depending upon property type, location, and type of construction higher permitted densities can have an inverse relationship to pricing on a per-unit or per-square-foot basis. This category has little impact on the value of a reservoir. All sales are considered to be similar to the subject in this regard.

## SALES COMPARISON APPROACH CONCLUSION

After adjustments, the comparable improved sales reflect a range from \$3,312 to \$4,803 per acre-foot, with an average of \$4,161 per acre-foot. In addition to these six sales, we have considered a negotiated purchase between Palm Beach Aggregates, Inc and the South Florida Water Management District. Palm Beach Aggregates operated a mining property in Palm Beach County on the east coast of south Florida. Mining pits with total water storage capacity of 40,500 acre-feet were transferred to the District at an overall price of \$157 million. Finished mining cells were transferred in annual phases to the District between the years of 2003 and 2007. The negotiated price paid for these reservoirs is equivalent to \$3,877 per acre-foot. This represented a negotiated settlement and is relevant to the value of water storage reservoirs in the State of Florida. Frank A. Catlett, MAI, SRA appraised these properties for acquisition by the South Florida Water Management District. Based on the data available and the analyses presented, the indicated value of the subject property by the Sales Comparison Approach is \$4,000 per acre-foot, calculated in the following table.

SALES COMPARISON APPROACH VALUE CONCLUSION	
Indicated Value per Acre-Foot	\$4,000
Reservoir Capacity (acre-feet)	x 12,000
<b>Indicated Use Value as a Reservoir</b>	<b>\$48,000,000</b>

# INCOME CAPITALIZATION APPROACH

## GENERAL PROCESS

In the Income Capitalization Approach, the appraiser concludes to a value indication for the subject by converting a projected net operating income into a single present value by using either the direct capitalization or yield capitalization method.

In direct capitalization, the estimated net operating income is divided by a market-driven capitalization rate to provide an indication of value. In yield capitalization, a series of income streams are discounted over a holding period to estimate a present value. The yield capitalization approach is referred to as a discounted cash flow analysis, and is most useful for properties that are not stabilized or expect to have large fluctuations in the income stream over a holding period.

The Income Capitalization Approach to value requires the following sequential steps:

<b>Estimate Economic Gross Income</b>	Estimate the economic gross income for the subject's space based on existing leases and market data.
<b>Estimate Effective Gross Income</b>	Estimate a proper vacancy and credit loss for the subject's market, then deduct this rent loss from the estimated economic gross income to arrive at an effective gross income.
<b>Estimate the Net Operating Income</b>	Calculate the net operating income by deducting the estimated operating expenses (fixed and variable) and a provision for replacement of short-lived building components from the estimated effective gross income.
<b>Value Indication</b>	Convert the net operating income into a value indication by using a market-derived capitalization rate in the case of direct capitalization and/or a market-derived discount rate in the yield capitalization analysis (discounted cash flow analysis). The yield capitalization approach also forecasts the anticipated future income streams and estimates a reversion price at the end of a presumed holding period. These future income streams are then discounted to a present value using a market-extracted discount rate based on investor expectations based on the risks associated with a property.

This approach is not typically used in the valuation of land, however, in this case, the property has the ability to generate income as a water storage reservoir. The improvements to the property include a 576.91-acre, 22-foot-deep pit that is the result of rock mining activities over the past 25-years. The mining reserves are nearing completion and the property owners have been considering alternative uses for the property. As discussed in the Highest and Best Use section of this report, several options have been considered.

Due to an increase in population and insufficient precipitation and ground seepage to maintain water levels in the freshwater canals in North Cape Coral, there appears to be great demand for water. Preliminary discussions resulted in testing the viability of drawing water from the mining pits to replenish the Cape Coral canals during the dry months. As much as 16-million gallons per day have been pump out of the mining pits, through a series of open drainage ditches to Alligator Slough and into the freshwater canals. The city of Cape Coral has been purchasing water at a rate of \$0.25 per 1,000 gallons and have an interest in purchasing the property for this purpose once the mining is complete.

Market evidence shows that water reservoirs are leased throughout the country. Moreover, the rates of return required by market participants can be determined. The Income Approach is, therefore, applicable in supporting the value of the property for water storage purposes.

This approach is defined as: "The ground rent capitalization method of estimating land value that is applicable when the ground rent corresponds to the owner's interest in the land, the leased fee interest; applied by capitalizing ground rent at a market derived rate." This method is useful when comparable rents, rates, factors and reversionary values can be developed from an analysis of market data.

The first step in estimating the value of a water storage reservoir is to determine the income generation ability of the storage reservoir. During our investigation we were able to find a few market indicators for lease rates pertaining to water storage. Particular attention was paid to make sure we were not dealing with the leasing of any water rights. The market data herein includes lease rates for the storage of water found in reservoirs for multiple users such as municipal use, domestic use, electric power generation, and even environmental protection. The most applicable unit of comparison used for this analysis is income per acre-foot per year.

### **WATER STORAGE LEASE RATES**

Because of a lack of leased water storage in reservoirs throughout Florida, several alternative types of water deals were analyzed and reconciled into a water lease rate for the subject. The first two deals pertain particularly solving to Cape Coral's current water shortage problem.

#### ***Cape Coral-Florida Governmental Utility Authority Inter-local Agreement***

This is a 20-year agreement. The City of Cape Coral is to design, permit and construction of a reclaimed pipeline that connects to the City's reclaimed system south of Pine Island Road. The estimated construction cost of \$1,560,000 will be shared equally by the two parties. Under the agreement FGUA will deliver a minimum of 1.5 million gallons per day, up to 3.5 million gallons per day, to Cape Coral at a cost of \$0.279/1,000 gallons (or \$91 per acre-foot) with an annual rate increase equivalent to 75% of the consumer price index.

#### ***Caloosahatchee Connect Program***

Fort Myers dumps between 6 million and 11 million gallons of treated wastewater effluent into the Caloosahatchee River each day. This water could be redirected to alleviate water shortages in the nearby Cape Coral canals during the dry months. The cost of the pipeline is estimated to be \$13 million, plus \$19 million in upgrades to the Cape Coral and Fort Myer's wastewater treatment plants. The rates being negotiated for this water are between \$0.95 per 1,000 gallons and \$1.50 per 1,000 gallons. This is equivalent to a range of between \$310 per acre-foot and \$489 per acre foot. The \$0.95 rate was based upon an estimate by Burton and Associates, a water rate consultant who works for both the City of Cape Coral and City of Fort Myers.

#### ***South Florida Water Management District***

In recent years, the South Florida Water Management District has undertaken several water farming projects for the purpose of providing water purification and retention services throughout the South Florida area. The District has been seeking landowners of large agricultural tracts to enter into agreements allowing for the storage of water on their land. Levees, earthen berms, and canals are used to direct water into Stormwater Treatment Areas "STA's" or Water Farms in agricultural areas around Lake Okeechobee. These water storage areas are generally two feet to six feet deep and range in size from 90 acres, to as large as 35,192 acres. These "lease" agreements are generally for a term of 10 years. Levee construction is generally done by the property owner with reimbursement from the State. The following grid shows the agreed upon rates for water storage at various agricultural locations in South Florida.

STORMWATER TREATMENT AREA RATES			
Project	County	Storage Capacity	Storage Rates
Alico Ranch	Hendry	103,650 acre-feet	\$136 ac-ft
Scott Water Farm	St. Lucie	29,000 acre-feet	\$200 ac-ft
Bluefield Water Farm	St. Lucie	28,000 acre-feet	\$161 ac-ft
Evans Properties, Inc.	St. Lucie	3,635 acre-feet	\$149 ac-ft
Blue Head Ranch, LLC	Highlands	3,462 acre-feet	\$131 ac-ft
Clemons Oak Creek	Okeechobee	1,750 acre-feet	\$152 ac-ft
Rafter T Realty, Inc.	Highlands	1,298 acre-feet	\$132 ac-ft
Babcock Property Holdings	Charlotte	1,214 acre-feet	\$152 ac-ft

The largest of these projects is the Alico Ranch providing 91,000 acre-feet of water storage. The range of payments is from \$149 per acre-foot to \$200 per acre-foot. It is interesting to note that the South Florida Water Management District reports the cost effectiveness of two of the more recent projects, Bluefield Water Farm and Scott Water Farm, at \$0.45 per 1,000 gallons and \$0.60 per 1,000 gallons respectively. These water rates are below what the market would pay for deeper contained reservoir storage for several reasons. Less land is required to accommodate the same storage capacity. The water farming land can be used for other agricultural uses like grazing livestock during periods of dry weather. A reservoir has less loss of water both by evaporation and by transpiration from the plants growing thereon, as well as ground seepage, in comparison with an STA. Per-acre-foot water storage rates in Stormwater Treatment Areas in South Florida are considered to represent the lower limit for the range of applicable lease rates for reservoir water storage.

### Nationwide Survey

Based upon a lack of significant comparable lease information within the State for larger water storage capacities, a nationwide survey was made to locate lease rates in other areas where water demand warrant more of a market for water storage and water rights. Colorado, Texas, Arizona and California are examples of areas in dry climates with significant populations. Five such water storage leases from these areas are listed in the following grid.

WATER STORAGE LEASE TRANSACTIONS					
	California	Arizona	Colorado	Colorado	Arizona
<b>Acquirer</b>	Cities of Montecito and Santa Barbara	City of Phoenix	Rio Grande Water Conservation District	Colorado Parks & Wildlife Commission	Southern Nevada Water Authority
<b>Supplier</b>	City of Santa Maria	Five Active Management Areas	B & R, LLC, Rominger Estate, Colorado CPW, et al	San Luis Valley Irrigation District	Arizona Water Banking Authority
<b>Water</b>	4,000 AF of banked State Water Project supply	108,348 AF of long-term storage credits	20,000 AF from Rio Grande Reservoir	8,000 AF from Rio Grande Reservoir	600,651 million AF of long-term storage credits
<b>Terms</b>	\$225 - \$600/AF	\$179 - \$375/AF	\$250/AF	\$375/AF	\$204/AF
<b>Length</b>	1 year	Not stated	Year to year	30-years	Through 2050
<b>Purpose</b>	Drinking water	Water storage	Water storage	Water storage	Water storage
<b>Date</b>	June 2017	January 2017	January 2016	August 2015	May 2013

Based upon these relatively recent lease negotiations that involved the lease of as little as 4,000 acre-feet up to 601± million acre-feet, with lease terms ranging from as little as one year up to 30 years, we have found lease rates ranging from \$179 to \$600 per acre-foot per year. The predominate range, however, appears to be between \$250 per acre-foot per year and \$375 per acre-foot per year. Variations in rates depend on the amount of demand and other water alternatives in these locations.

### ***Reconciliation of Water Storage Lease Rates***

Without the benefit of having numerous Florida based reservoir leases to consider, various other market indicators of potential lease rates were analyzed. Two deals pertaining to the water shortage experienced in Cape Coral provide the best indication for the subject since they are in Florida and involve the City of Cape Coral indicating the motivations and cost/value thresholds of the individual parties. These two deals indicate rates of between \$90 per acre-foot per year and \$489 per acre foot-per year. Burton and Associates, a water rate consultant who works for both the City of Cape Coral and Fort Myers has recommended that a rate of \$310 per acre foot per year.

We considered rates paid to landowners by the South Florida Water Management district to store water on their agricultural lands in STA's, stormwater treatment areas. These arrangements are inferior to the subject reservoir in that although they are 10-year agreements. Water storage is accomplished through the use of earthen berms and levees resulting in shallow water storage areas with higher rates of evaporation and seepage and requiring more land to accommodate the same amount of water. These rates range between \$149 per acre-foot per year to \$200 per acre-foot per year representing the lower end of the reasonable range for the subject property.

A third indication of lease rates for the subject is a survey of areas around the country where water storage reservoirs are more prevalent, Colorado, Arizona, California, Texas, were analyzed. Although water rights and climate conditions differ in these areas, the indicated lease rate range of \$179 per acre foot per year to \$375 per acre foot per year appears supportive.

### **POTENTIAL GROSS RENTAL INCOME CONCLUSION**

In consideration of this market data, we have reconciled to a lease rate of \$250 per acre-foot per year for the subject property. This is equivalent to \$0.77 per 1,000 gallons which also falls within the range of market evidence. Applying this rate to the subject reservoir capacity indicates the following potential gross income for the subject.

ANNUAL MARKET RENT	
Indicated Rent per Acre-Foot	\$250
Reservoir Capacity (acre-feet)	x 12,000
<b>Indicated Annual Rent as a Reservoir</b>	<b>\$3,000,000</b>

### **VACANCY AND COLLECTION LOSS**

An income pro forma typically includes a deduction for vacancy and collection loss to account for losses in income for frictional vacancy between occupants as well as the occasional inability to collect rent. The most probable user of the subject property for a reservoir use is a governmental entity, and specifically the City of Cape Coral. It does not appear that these deductions would be necessary or appropriate in this analysis.

## OPERATING EXPENSE ANALYSIS AND PROJECTIONS

Various operating expenses are generally deducted from effective gross income in estimating net operating income. These include real estate taxes, building insurance, property management and maintenance.

**Real Estate Taxes** – The 2022 tax amount for the 24 tax parcels that make up the subject property total \$47,497. Sale of the property or permitted renovations can trigger a reassessment by the County Property Appraiser which could have an impact on the annual tax expense. However, without a recorded sale or renovations of the subject the likelihood of a significant tax increase is limited. If the property is sold to the City of Cape Coral, it would be exempt from taxes.

**Insurance** – Typically insurance premiums for building casualties is deducted from effective gross income. In this case, there are no permanent buildings on the property. All equipment and modular structures are considered to be personal property. Therefore, no deduction for insurance is necessary in this analysis.

**Property Maintenance** – We have included an estimate of \$1,500 per month to cover the cost of maintaining the property including the easement areas, haul roads, berms, etc. No building maintenance is required.

**Management** – This accounts for off-site management performed by the owner or third-party management company. This is typically reflected as a percentage of effective gross income between 3% and 6%. We have selected a management cost of 5% in this analysis to cover management and administrative expenses involved in operating this reservoir.

**Replacement Reserves** – This expense represents the replacement of short-lived items, roof coverings, asphalt pavement, exterior painting, etc. Since none of this exists on the property, no additional deduction is made.

PRO FORMA		FY 2024	
Income		\$	Per Ac-Ft
Gross Potential Rent		\$3,000,000	\$250.00
Less Vacancy Loss	0.0%	\$0	\$0.00
Less Collection Loss	0.0%	\$0	\$0.00
<b>Effective Gross Income (EGI)</b>		<b>\$3,000,000</b>	<b>\$250.00</b>
<b>Expenses</b>			
Real Estate Taxes		\$47,497	\$3.96
Insurance		\$0	\$0.00
Property Maintenance		\$18,000	\$1.50
Management	5.0%	\$150,000	\$12.50
Replacement Reserves		\$0	\$0.00
<b>Total Expenses</b>	<b>7.2%</b>	<b>\$215,497</b>	<b>\$17.96</b>
<b>NET OPERATING INCOME (NOI)</b>		<b>\$2,784,503</b>	<b>\$232.04</b>

## DIRECT CAPITALIZATION

Direct capitalization is a method used to convert a projected single year's income expectancy into an indication of value. Dividing a property's net operating income by an appropriate market-derived capitalization rate provides a value indication. This capitalization rate is known as the overall rate. There are several methods that can be used in deriving an overall rate that can be used to capitalize the net operating income that was projected in the previous Pro Forma Operating Statement. Market extraction is unreliable due to a lack of market transactions.

## INVESTOR SURVEYS

Investor surveys are not very useful for establishing market capitalization rates since a reservoir is not an investment grade property. A review of the PwC Real Estate Investor Survey, Q3, 2022 indicates a range of overall rates between 3.0% and 12.5% across Regional Mall, CBD Office, Warehouse and Apartment sectors. Average rates across these sectors range between 4.29% and 7.23%. In comparison, these would be considered to represent an absolute lower limit of the reasonable range. These are each investment grade property classes presenting less market risk than a water storage reservoir. A higher capitalization rate would be anticipated for the subject.

## UTILITY COMPANY ROE

A more relevant step in this approach would be to determine who might finance any bond issues that may involve the acquisition and/or leasing of reservoirs. Gognient provides industrial valuation multiples for various industries including utilities. In a study of 115 utility companies as of June 30, 2022, the following Returns on Equity were reported.

LAST TWELVE MONTHS RETURN ON EQUITY		
Type	Number	ROE
Electric Utilities	41	9.6%
Gas Utilities	23	11.2%
Independent Power Producers	13	24.0%
Multi-utilities	24	9.7%
Water Utilities	14	10.7%

## BAND OF INVESTMENT

Based upon more traditional bank financing, the band of investment calculation is summarized in the following table.

BAND OF INVESTMENT					
Loan Parameters					
Loan-to-Value (LTV)				70%	
Amortization Period (yrs)				20	
Interest Rate				6.00%	
Mortgage Constant				0.08597	
Equity Dividend Rate				10.00%	
Calculation					
0.70 LTV	x	0.08597	Mortgage Constant	=	0.06018
0.30 Equity	x	0.10000	Equity Dividend Rate	=	0.03000
<b>Capitalization Rate</b>					<b>9.02%</b>

## CAPITALIZATION RATE SUMMARY AND CONCLUSIONS

The capitalization rates derived from the various techniques are summarized in the following table.

SUMMARY CAPITALIZATION RATE AND CONCLUSION	
Method	Capitalization Rate
Investor Surveys	4.3% - 7.2%
Survey of Water Utilities	10.70%
Band of Investment	9.02%
<b>Capitalization Rate Conclusion</b>	<b>9.00%</b>

Typically, most weight is placed on the rates derived from sources most closely associated with the subject's immediate market, that is, comparable sales, particularly if the comparable sales have a similar risk profile to the subject property. Less reliance was placed on the Investor surveys since these are different property types. Based on all available data sources, we conclude to a 9.00% capitalization rate.

## VALUE INDICATION FROM DIRECT CAPITALIZATION

An opinion of value in use is indicated by the Direct Capitalization Method by dividing the net operating income (NOI), derived earlier in this section by the appropriate capitalization rate. Our conclusion via the Direct Capitalization Method is as follows.

DIRECT CAPITALIZATION METHOD VALUE CONCLUSION - AS IS		
<b>NET OPERATING INCOME</b>	<b>\$2,784,503</b>	
Based on Most Probable Rate of 9.00%	\$30,938,922	
<b>Indicated Use Value as a Reservoir</b>	<b>\$30,938,922</b>	
<b>Rounded to nearest \$100,000</b>	<b>\$30,900,000</b>	<b>\$2,575 /ac-ft</b>

## RECONCILIATION AND FINAL VALUE

The subject of this appraisal assignment is a 1,205-acre parcel of land located within an unincorporated portion of Charlotte County, Florida. This area of Charlotte County is rural in nature and comprised predominately of conservation and wetland areas with small enclaves of residential properties and limited commercial support fronting Tamiami Trail, (a/k/a US Highway 41). Over the past 30 years the property has been used for commercial excavations of limerock and fill dirt. The result is a 580-acre pit with an average depth of 22 feet. Based upon configuration and geology, this pit has the capability of holding 3.9 billion gallons of water. The limestone reserves are expected to be depleted by October 2024. As there is a need for additional water at the nearby City of Cape Coral the use of the subject mining pits for water storage has been considered.

### SUMMARY OF VALUE INDICATIONS

VALUE INDICATIONS		
As of March 29, 2023		
<b>Cost Approach</b>	\$74,500,000	\$6,208 per Acre-foot
<b>Land Value</b>	\$14,500,000	\$12,033 per Gross Acre
<b>Sales Comparison Approach</b>	\$48,000,000	\$4,000 per Acre-foot
<b>Income Capitalization Approach</b>	\$30,900,000	\$2,575 per Acre-foot
<b>Approach Reliance</b>	<b>Income &amp; Cost</b>	
<b>Use Value</b>	<b>\$38,000,000</b>	
<b>Exposure Time (Months)</b>	12	
<b>Marketing Time (Months)</b>	12	

### MARKET VALUE - VALUATION RELIANCE

The Cost Approach has been used in estimating the value of the property as a reservoir by adding the value of the necessary land needed to store a similar amount of water to the cost of developing a storage reservoir capable of storing 3.9-billion gallons of water. The value indicated by the Cost Approach far exceeds the values by the other two approaches indicating that it is much more costly to build than to lease or purchase an existing reservoir.

In the Sales Comparison Approach, a nationwide search for sales of water storage reservoirs of this size and type was required to amass a sufficient number of sales for analysis. No sales were found in the State of Florida. Although this approach factors in the motivations of buyers and sellers in the marketplace, there may be other factors influencing prices in these other states. Least weight was given the value indicated by this method in our final reconciliation, but it has been provided as additional market evidence.

In the Income Capitalization Approach, direct capitalization was used to estimate value. The property owner currently receives income from the City of Cape Coral for water from the reservoir. The rate that is currently being paid was negotiated five years ago and appears based on market evidence to be below what the market will bear for this type of use. Market income, less expenses was capitalized as an indication of the value of this property put to such a use. Based on the quality and quantity of market evidence, we have placed the greatest weight on this method in our final reconciliation of value.

## FINAL OPINION OF VALUE

Based on the inspection of the property and the investigation and the analysis undertaken, we have developed the following value opinion.

MARKET VALUE CONCLUSION			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Value in Use - As Is	Fee Simple	March 29, 2023	\$38,000,000

## MARKETING TIME AND EXPOSURE TIME

Exposure time is an opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. This is a retrospective estimate based upon an analysis of past events assuming a competitive and open market. From conversations with listing agents, brokers and market participants and considering published information regarding marketing times of similar properties, we estimate that the subject property would need to have been exposed to the market for a period of 12 months to achieve a market sale at the value estimated herein.

Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. Marketing time is a forecast that is made looking forward from the effective date of the appraisal. Marketing time is defined as the amount of time necessary to expose a property to the open market in order to achieve a sale, assuming the property will be actively exposed and aggressively marketed to potential purchasers through marketing channels commonly used by sellers of similar type property, the property will be offered at a price reflecting the most probable markup over market value used by sellers of similar type property, the sale will be consummated under the terms and conditions of the definition of market value required by the regulation. Market conditions have been improving and therefore we estimate a marketing time of 12 months.


## CERTIFICATION

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We 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 with this assignment.
4. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the state of Florida.
9. The reported analyses, opinions, and Value Indications were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics, the Standards of Professional Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. As of the date of this report, Rob Hicks has and Kyle Catlett has completed the continuing education program for Designated Members of the Appraisal Institute.
12. Rob Hicks has and Kyle Catlett has made a personal inspection of the property that is the subject of this report.
13. No one provided significant real property appraisal assistance to the person signing this certification.
14. Rob Hicks has not and Kyle Catlett has not provided services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.
15. The use of this report is subject to the requirements of the Florida Real Estate Appraisal Board relating to review by its duly authorized representatives. As of the date of this report, Rob Hicks, and Kyle Catlett, are State Certified Appraisers and has completed the continuing education requirements for the State of Florida.



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# STANDARD ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report has been made with the following general assumptions:

- 1) Notwithstanding that Appraiser may comment on, analyze or assume certain conditions in the appraisal, BBG, Inc. shall have no monetary liability or responsibility for alleged claims or damages pertaining to: (a) title defects, liens or encumbrances affecting the property; (b) the property's compliance with local, state or federal zoning, planning, building, disability access and environmental laws, regulations and standards; (c) building permits and planning approvals for improvements on the property; (d) structural or mechanical soundness or safety; (e) contamination, mold, pollution, storage tanks, animal infestations or other hazardous conditions affecting the property; and (f) other conditions and matters for which licensed real estate appraisers are not customarily deemed to have professional expertise. Accordingly:
  - a) The Appraiser has not conducted any engineering or architectural surveys in connection with this appraisal assignment. Information reported pertaining to dimensions, sizes, and areas is either based on measurements taken by the Appraiser or the Appraiser's staff or was obtained or taken from referenced sources and is considered reliable. The Appraiser and BBG, Inc. shall not be monetarily liable or responsible for or assume the costs of preparation or arrangement of geotechnical engineering, architectural, or other types of studies, surveys, or inspections that require the expertise of a qualified professional.
  - b) Unless otherwise stated in the report, only the real property is considered, so no consideration is given to the value of personal property or equipment located on the premises or the costs of moving or relocating such personal property or equipment. Further, unless otherwise stated, it is assumed that there are no subsurface oil, gas or other mineral deposits or subsurface rights of value involved in this appraisal, whether they are gas, liquid, or solid. Further, unless otherwise stated, it is assumed that there are no rights associated with extraction or exploration of such elements considered. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.
  - c) Any legal description or plats reported in the appraisal are assumed to be accurate. Any sketches, surveys, plats, photographs, drawings or other exhibits are included only to assist the intended user to better understand and visualize the subject property, the environs, and the competitive data. BBG, Inc. has made no survey of the property and assumes no monetary liability or responsibility in connection with such matters.
  - d) Title is assumed to be good and marketable, and in fee simple, unless otherwise stated in the report. The property is considered to be free and clear of existing liens, easements, restrictions, and encumbrances, except as stated. Further, BBG, Inc. assumes there are no private deed restrictions affecting the property which would limit the use of the subject property in any way.
  - e) The appraisal report is based on the premise that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in the appraisal report; additionally, that all applicable zoning, building, and use regulations and restrictions of all types have been complied with unless otherwise stated in the appraisal report. Further, it is assumed that all required licenses, consents, permits, or other legislative or administrative authority, local, state, federal and/or private entity or organization have been or can be obtained or renewed for any use considered in the value opinion. Moreover, unless otherwise stated herein, it is assumed that there are no encroachments or violations of any zoning or other regulations affecting the subject property, that the utilization of the land and improvements is within the boundaries or property lines of the property described, and that there are no trespasses or encroachments.

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- f) The American Disabilities Act (ADA) became effective January 26, 1992. The Appraiser has not made a specific compliance survey or analysis of the property to determine whether or not it is in conformity with the various detailed requirements of ADA. It is possible that a compliance survey of the property and a detailed analysis of the requirements of the ADA would reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative impact upon the value of the property. Since the Appraiser has no direct evidence relating to this issue, possible noncompliance with the requirements of ADA was not considered in estimating the value of the property.
  - g) No monetary liability or responsibility is assumed for conformity to specific governmental requirements, such as fire, building, safety, earthquake, or occupancy codes, except where specific professional or governmental inspections have been completed and reported in the appraisal report.
  - h) It is assumed the subject property is not adversely affected by the potential of floods; unless otherwise stated herein. Further, it is assumed all water and sewer facilities (existing and proposed) are or will be in good working order and are or will be of sufficient size to adequately serve any proposed buildings.
  - i) Unless otherwise stated within the appraisal report, the depiction of the physical condition of the improvements described therein is based on visual inspection. No monetary liability or responsibility is assumed for (a) the soundness of structural members since no engineering tests were conducted; (b) the condition of mechanical equipment, plumbing, or electrical components, as complete tests were not made; and (c) hidden, unapparent or masked property conditions or characteristics that were not clearly apparent during the Appraiser's inspection.
  - j) If building improvements are present on the site, it is assumed that no significant evidence of termite damage or infestation was observed during physical inspection, unless so stated in the appraisal report. Further, unless so stated in the appraisal report, no termite inspection report was available. No monetary liability or responsibility is assumed for hidden damages or infestation.
  - k) Unless subsoil opinions based upon engineering core borings were furnished, it is assumed there are no subsoil defects present, which would impair development of the land to its maximum permitted use or would render it more or less valuable. No monetary liability or responsibility is assumed for such conditions or for engineering which may be required to discover them.
  - l) BBG, Inc., excepting employees of BBG Assessment, Inc., and the appraiser(s) are not experts in determining the presence or absence of hazardous substances toxic materials, wastes, pollutants or contaminants (including, but not limited to, asbestos, PCB, UFFI, or other raw materials or chemicals) used in construction or otherwise present on the property. BBG, Inc. and the appraiser(s) assume no monetary liability or responsibility for the studies or analyses which would be required to determine the presence or absence of such substances or for loss as a result of the presence of such substances. The Client is free to retain an expert on such matters in this field; however, Client retains such expert at Client's own discretion, and any costs and/or expenses associated with such retention are the responsibility of Client.
  - m) BBG, Inc. is not an expert in determining the habitat for protected or endangered species, including, but not limited to, animal or plant life (such as bald eagles, gophers, tortoises, etc.) that may be present on the property. BBG, Inc. assumes no monetary liability or responsibility for the studies or analyses which would be required to determine the presence or absence of such species or for loss as a result of the presence of such species. The Appraiser hereby reserves the right to alter, amend, revise, or rescind any of the value opinions contained within the appraisal report based upon any subsequent endangered species impact studies, research, and investigation that may be provided. However, it is assumed that no environmental impact studies were either requested or made in conjunction with this analysis, unless otherwise stated within the appraisal report.
- 2) If the Client instructions to the Appraiser were to inspect only the exterior of the improvements in the appraisal process, the physical attributes of the property were observed from the street(s) as of the
-

inspection date of the appraisal. Physical characteristics of the property were obtained from tax assessment records, available plans, if any, descriptive information, and interviewing the client and other knowledgeable persons. It is assumed the interior of the subject property is consistent with the exterior conditions as observed and that other information relied upon is accurate.

- 3) If provided, the estimated insurable value is included at the request of the Client and has not been performed by a qualified insurance agent or risk management underwriter. This cost estimate should not be solely relied upon for insurable value purposes. The Appraiser is not familiar with the definition of insurable value from the insurance provider, the local governmental underwriting regulations, or the types of insurance coverage available. These factors can impact cost estimates and are beyond the scope of the intended use of this appraisal. The Appraiser is not a cost expert in cost estimating for insurance purposes.
- 4) The dollar amount of any value opinion herein rendered is based upon the purchasing power and price of the United States Dollar as of the effective date of value. This appraisal is based on market conditions existing as of the date of this appraisal.
- 5) The value opinions reported herein apply to the entire property. Any proration or division of the total into fractional interests will invalidate the value opinions, unless such proration or division of interests is set forth in the report. Any division of the land and improvement values stated herein is applicable only under the program of utilization shown. These separate valuations are invalidated by any other application.
- 6) Any projections of income and expenses, including the reversion at time of resale, are not predictions of the future. Rather, they are BBG, Inc.'s best estimate of current market thinking of what future trends will be. No warranty or representation is made that such projections will materialize. The real estate market is constantly fluctuating and changing. It is not the task of an appraiser to estimate the conditions of a future real estate market, but rather to reflect what the investment community envisions for the future in terms of expectations of growth in rental rates, expenses, and supply and demand. The forecasts, projections, or operating estimates contained herein 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 with future conditions.
- 7) The Appraiser assumes no monetary liability or responsibility for any changes in economic or physical conditions which occur following the effective date of value within this report that would influence or potentially affect the analyses, opinions, or conclusions in the report. Any subsequent changes are beyond the scope of the report.
- 8) Any proposed or incomplete improvements included in the appraisal report are assumed to be satisfactorily completed in a workmanlike manner or will be thus completed within a reasonable length of time according to plans and specifications submitted.
- 9) If the appraisal report has been prepared in a so-called "public non-disclosure" state, real estate sales prices and other data, such as rents, prices, and financing, are not a matter of public record. If this is such a "non-disclosure" state, although extensive effort has been expended to verify pertinent data with buyers, sellers, brokers, lenders, lessors, lessees, and other sources considered reliable, it has not always been possible to independently verify all significant facts. In these instances, the Appraiser may have relied on verification obtained and reported by appraisers outside of our office. Also, as necessary, assumptions and adjustments have been made based on comparisons and analyses using data in the report and on interviews with market participants. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
- 10) Although the Appraiser has made, insofar as is practical, every effort to verify as factual and true all information and data set forth in this report, no responsibility is assumed for the accuracy of any information furnished the Appraiser either by the Client or others. If for any reason, future investigations should prove any data to be in substantial variance with that presented in this report, the Appraiser reserves the right to alter or change any or all analyses, opinions, or conclusions and/or opinions of value.

- 11) The right is reserved by the Appraiser to make adjustments to the analyses, opinions, and conclusions set forth in the appraisal report as may be required by consideration of additional or more reliable data that may become available. No change of this report shall be made by anyone other than the Appraiser. The Appraiser shall have no monetary liability or responsibility for any unauthorized change(s) to the report.
- 12) The submission of the appraisal report constitutes completion of the services authorized and agreed upon. Such appraisal report is submitted on the condition the Client will provide reasonable notice and customary compensation, including expert witness fees, relating to any subsequent required attendance at conferences, depositions, or judicial or administrative proceedings. In the event the Appraiser is subpoenaed for either an appearance or a request to produce documents, a best effort will be made to notify the Client immediately. The Client has the sole responsibility for obtaining a protective order, providing legal instruction not to appear with the appraisal report and related work files, and will answer all questions pertaining to the assignment, the preparation of the report, and the reasoning used to formulate the opinion of value. Unless paid in whole or in part by the party issuing the subpoena or by another party of interest in the matter, the Client is responsible for all unpaid fees resulting from the appearance or production of documents regardless of who orders the work.
- 13) Client shall not disseminate, distribute, make available or otherwise provide any Appraisal Report prepared hereunder to any third party (including without limitation, incorporating or referencing the Appraisal Report, in whole or in part, in any offering or other material intended for review by other parties) except to (a) any third party expressly acknowledged in a signed writing by Appraiser as an "Intended User" of the Appraisal Report provided that either Appraiser has received an acceptable release from such third party with respect to such Appraisal Report or Client provides acceptable indemnity protections to Appraiser against any claims resulting from the distribution of the Appraisal Report to such third party, (b) any third party service provider (including rating agencies and auditors) using the Appraisal Report in the course of providing services for the sole benefit of an Intended User, or (c) as required by statute, government regulation, legal process, or judicial decree. In the event Appraiser consents, in writing, to Client incorporating or referencing the Appraisal Report in any offering or other materials intended for review by other parties, Client shall not distribute, file, or otherwise make such materials available to any such parties unless and until Client has provided Appraiser with complete copies of such materials and Appraiser has approved all such materials in writing. Client shall not modify any such materials once approved by Appraiser. In the absence of satisfying the conditions of this paragraph with respect to a party who is not designated as an Intended User, the receipt of an Appraisal Report by such party shall not confer any right upon such party to use or rely upon such report, and Appraiser shall have no liability for such unauthorized use or reliance upon such report. In the event Client breaches the provisions of this paragraph, Client shall indemnify, defend and hold Appraiser, and its affiliates and their officers, directors, employees, contractors, agents and other representatives (Appraiser and each of the foregoing an "Indemnified Party" and collectively the "Indemnified Parties"), fully harmless from and against all losses, liabilities, damages and expenses (collectively, "Damages") claimed against, sustained or incurred by any Indemnified Party arising out of or in connection with such breach, regardless of any negligence on the part of any Indemnified Party in preparing the Appraisal Report.

## Overview

### BBG OVERVIEW

BBG is one of the nation's largest real estate due diligence firms with more than 45 offices across the country serving more than 3,000 clients. We deliver best-in-class valuation, advisory and assessment services with a singular focus of meeting our clients' needs.

Our professional team offers broad industry expertise and deep market knowledge to help clients meet their objectives throughout the real estate life cycle.

BBG clients include commercial real estate professionals, investors, lenders, attorneys, accountants and corporations.

### THE BBG DIFFERENCE

**National Footprint.** BBG is one of only two national firms offering in-house valuation and environmental and property condition assessment services for all commercial property types.

**Customer-focused Growth.** BBG is one of the largest national due diligence firms because we deliver best-in-class work product and provide excellent customer care.

**Qualified Team.** Over 50 percent of BBG appraisers are MAI designated and offer deep industry expertise gained through real-world experience.

**Unbiased Independence.** By focusing exclusively on due diligence services, BBG guarantees an independent perspective free from potential conflicts of interest.

**Innovative Technology.** BBG has made significant analytics and IT investments to continually improve our data and report quality.

### SERVICES

#### Valuation

- + Single Asset Valuation
- + Portfolio Valuation
- + Institutional Asset Valuation
- + Appraisal Review
- + Appraisal Management
- + Lease and Cost Analysis
- + Insurance Valuation
- + Arbitration & Consulting
- + Feasibility Studies
- + Highest and Best Use Studies
- + Evaluation
- + Investment analysis
- + Tax appeals
- + Litigation Support
- + Manufactured Housing and Campgrounds

#### Advisory

- + ASC 805 Business combinations
- + ASC 840 Leases
- + Purchase Price Allocations
- + Portfolio Valuations for reporting net asset values (NAV)
- + Public and non-traded REIT valuations
- + Valuations for litigation and litigation support
- + Sale-leaseback valuation analysis
- + Valuations for bankruptcy/fresh start accounting
- + Cost segregation analysis

#### Assessment

- + Environmental due diligence
- + Property condition consulting
- + Small loan services
- + Energy consulting
- + Environmental consulting
- + Zoning
- + ALTA Surveys

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## GLOSSARY

**Appraisal:** (noun) the act or process of developing an opinion of value; an opinion of value. (adjective) of or pertaining to appraising and related functions such as appraisal practice or appraisal services.<sup>7</sup>

**Appraisal Practice:** valuation services performed by an individual acting as an appraiser, including but not limited to appraisal and appraisal review.<sup>7</sup>

**Appraisal Review:** (noun) the act or process of developing an opinion about the quality of another appraiser's work (i.e., a report, part of a report, a workfile, or some combination of these), that was performed as part of an appraisal or appraisal review assignment, (adjective) of or pertaining to an opinion about the quality of another appraiser's work that was performed as part of an appraisal or appraisal review assignment.<sup>7</sup>

**Appraiser:** one who is expected to perform valuation services competently and in a manner that is independent, impartial and objective.<sup>7</sup>

**Appraiser's Peers:** other appraisers who have expertise and competency in a similar type of assignment.<sup>7</sup>

**Assessed Value:** The value of a property according to the tax rolls in ad valorem taxation; may be higher or lower than market value, or based on an assessment ratio that is a percentage of market value. <sup>1</sup>

**Asset:**

1. Any item, the rights to which may have economic value, including financial assets (cash or bonds), business interests, intangible assets (copyrights and trademarks), and physical assets (real estate and personal property).
2. In general business usage, something owned by a business and reflected in the owner's business sheet.

**Asset:** A resource controlled by the entity as a result of past events and from which future economic benefits are expected to flow to the entity. <sup>2</sup>

**Assignment:** a valuation service that is provided by an appraiser as a consequence of an agreement with a client.<sup>7</sup>

**Assignment Conditions:** Assumptions, extraordinary assumptions, hypothetical conditions, laws and regulation, jurisdictional exceptions, and other conditions that affect the scope of work.<sup>7</sup>

**Assignment Elements:** Specific information needed to identify the appraisal or appraisal review problem: client and any other intended users, intended use of the appraiser's opinions and conclusions, type and definition of value; effective date of the appraiser's opinions and conclusions; subject of the assignment and its relevant characteristics; and assignment conditions.<sup>7</sup>

**Assignment Results:** An appraiser's opinions or conclusions, not limited to value, that were developed when performing an appraisal assignment, an appraisal review assignment, or a valuation service other than an appraisal or appraisal review.<sup>7</sup>

**Bias:** a preference or inclination that precludes an appraiser's impartiality, independence, or objectivity in an assignment.<sup>7</sup>

**Business Enterprise:** an entity pursuing an economic activity.<sup>7</sup>

**Business Equity:** the interests, benefits, and rights inherent in the ownership of a business enterprise or a part thereof in any form (including, but not necessarily limited to, capital stock, partnership interests, cooperatives, sole proprietorships, options, and warrants).<sup>7</sup>

**Capital Expenditure:** Investments of cash (or the creation of liability) to acquire or improve an asset, e.g., land, buildings, building additions, site improvements, machinery, equipment; as distinguished from cash outflows for expense items that are normally considered part of the current period's operations. Also referred to as Cap Ex.<sup>1</sup>

**Cash Equivalency Analysis:** An analytical process in which the sale price of a transaction with nonmarket financing or financing with unusual conditions or incentives is converted into a price expressed in terms of cash or its equivalent.<sup>1</sup>

**Client:** the party or parties (i.e., individual, group or entity) who engage an appraiser by employment or contract in a specific assignment, whether directly or through an agent.<sup>7</sup>

**Condominium Ownership:** A form of fee ownership of separate units or portions of multiunit buildings that provides for formal filing and recording of a divided interest in real estate.<sup>1</sup>

**Confidential Information:**

**1:** information that is either:

- Identified by the client as confidential when providing it to a valuer and that is not available from any other source, or
- Classified as confidential or private by applicable law or regulation.

**2:** Information that is either

- Identified by the client as confidential when providing it to an appraiser and that is not available from any other source; or
- Classified as confidential or private by applicable law or regulation \*
- NOTICE: For example, pursuant to the passage of the Gramm-Leach-Bliley Act in November 1999, some public agencies have adopted privacy regulations that affect appraisers. The Federal Trade Commission (FTC) issued two rules. The first rule (16 CFR 313) focuses on the protection of "non-public personal information" provided by consumers to those involved in financial activities "found to be closely related to banking or usual in connection with the transaction of banking." These activities include "appraising real or personal property." The second rule (16 CFR 314) requires appraisers to safeguard customer non-public personal information. Significant liability exists for appraisers should they fail to comply with these FTC rules. <sup>7</sup>

**Cost:** the actual or estimated amount required to create, reproduce, replace or obtain a property.<sup>7</sup>

**Cost Approach:** A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive, deducting depreciation from the total cost, and adding the estimated land value. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised. <sup>1</sup>

**Credible:** worthy of belief.<sup>7</sup>

**Deferred Maintenance:** Items of wear and tear on a property that should be fixed now to protect the value or income-producing ability of the property, such as a broken window, a dead tree, a leak in the roof, or a faulty roof that must be completely replaced. These items are almost always curable.<sup>1</sup>

**Disposition Value:** The most probable price that a specified interest in real property should bring under the following conditions: 1) Consummation of a sale within a specific time, which is short than the typical exposure time for such a property in that market. 2) The property is subjected to market conditions prevailing as of the date of valuation. 3) Both the buyer and seller are acting prudently and knowledgeably. 4) The seller is under compulsion to sell. 5) The buyer is typically motivated. 6) Both parties are acting in what they consider to be their best interests. 7) An adequate marketing effort will be made during the exposure time. 8) Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto. 9) The price represents the normal consideration of the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. This definition can also be modified to provide for valuation with specified financing terms. <sup>1</sup>

**Economic Life:** The period over which improvements to real estate contribute to property value. <sup>1</sup>

**Effective Date:** the date to which the appraiser's analysis, opinions and conclusions apply, also referred to as date of value.<sup>7</sup>

**Effective Gross Income Multiplier (EGIM):** The ratio between the sale price (or value) of a property and its effective gross income.<sup>1</sup>

**Effective Rent:** Total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions, the rent that is effectively paid by a tenant net of financial concessions provided by a landlord. <sup>1</sup>

**Exposure Time:** an opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at the market value on the effect date of the appraisal.<sup>7</sup>

**Extraordinary Assumption:** an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.<sup>7</sup>

**Fair Market Value:**

1. In nontechnical usage, a term that is equivalent to the contemporary usage of market value.
2. As used in condemnation, litigation, income tax, and property tax situations, a term that is similar in concept to market value but may be defined explicitly by the relevant agency. For example, one definition of *fair market value* provided by the Internal Revenue Service for certain purposes is as follows: The price at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts. The fair market value of a particular item of property includible in the decedent's gross estate is not to be determined by a forced sale price. Nor is the fair market value of an item of property to be determined by the sale price of the item in a market other than that in which such item is most commonly sold to the public, taking into account the location of the item wherever appropriate. (IRS Regulation §20.2031-1)<sup>1</sup>

**Fair Share:**

1. A share of a fund or deposit that is divided or distributed proportionately.
2. A share of a burden or obligation that is divided proportionately; e.g., a tenant in a multitenant building or development may be required to pay a pro rata share of the building's operating expenses based on the number of square feet the tenant occupies. In a shopping center, the tenant's share of operating costs is often stated as a fraction, with the gross leasable area of the tenant's premises as the numerator and the gross leasable area or gross leased area of the entire shopping center as the denominator.
3. The share of a trade area that a retail facility is likely to capture; assumes that capture is a function of property size as a proportion of the overall inventory of competitive space in the trade area, i.e., that the facility captures a "fair share" of the trade area.<sup>1</sup>

**Fair Value:**

1. The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. (FASB)
2. The estimated price for the transfer of an asset or liability between identified knowledgeable and willing parties that reflects the respective interests of those parties. (This does not apply to valuations for financial reporting.) (IVS).<sup>1</sup>
3. The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.<sup>2</sup>

**Feasibility Analysis:** a study of the cost benefit relationship of an economic endeavor.<sup>1</sup>

**Fee Simple Estate:** 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.<sup>1</sup>

**Floor Area Ratio (FAR):** The relationship between the above-ground floor area of a building, as described by the zoning or building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area.<sup>1</sup>

**Going Concern:**

1. An established and operating business having an indefinite future life.
2. An organization with an indefinite life that is sufficiently long that, over time, all currently incomplete transformations [transforming resources from one form to a different, more valuable form] will be completed.<sup>1</sup>

**Gross Building Area (GBA):**

1. Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved.
2. Gross leasable area plus all common areas.
3. For residential space, the total area of all floor levels measured from the exterior of the walls and including the super structure and substructure basement; typically does not include garage space.<sup>1</sup>

**Highest and Best Use:**

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

**Hypothetical Condition:** a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.<sup>7</sup>

**Income Capitalization Approach:** Specific appraisal techniques applied to develop a value indication for a property based on its earning capability and calculated by the capitalization of property income.<sup>1</sup>

**Inspection:** Personal observation of the exterior or interior of the real estate that is the subject of an assignment performed to identify the property characteristics that are relevant to the assignment, such as amenities, general physical condition, and functional utility. Note that this is not the inspection process performed by a licensed or certified building inspector.<sup>1</sup>

**Insurable Value:** A type of value for insurance purposes.<sup>1</sup>

**Intangible Property (intangible Assets):** Nonphysical assets, including but not limited to franchises, trademarks, patents, copyrights, goodwill, equities, securities, and contracts as distinguished from physical assets such as facilities and equipment.<sup>7</sup>

**Intended Use:** the user(s) of an appraiser's reported appraisal or appraisal review assignment results, as identified by the appraiser based on communication with the client at the time of the assignment.<sup>7</sup>

**Intended User:** the client and any other party as identified, by name or type, as users of the appraisal or appraisal review report by the appraiser, based on communication with the client at the time of the assignment.<sup>7</sup>

**Internal Rate of Return ("IRR"):** The annualized yield rate or rate of return on capital that is generated or capable of being generalized within an investment of portfolio over a period of ownership. Alternatively, the indicated return of capital associated with a projected or pro forma income stream. The discount rate that equates the present value of the net cash flows of a project with the present value of the capital investment. It is the rate at which the Net Present Value (NPV) equals zero. The IRR reflects both the return on invested capital and the return of the original investment, which are basic considerations of potential investors. Therefore, deriving the IRR from analysis of market transactions of similar properties having comparable income patterns is a proper method for developing market discount rates for use in valuations to arrive at Market Value. Used in discounted cash flow analysis to find the implied or expected rate of return of the project, the IRR is the rate of return which gives a zero net present value (NPV). See also equity yield rate (YE); financial management rate of return (FMRR); modified internal rate of return (MIRR); yield rate (Y).<sup>1</sup>

**Investment Value:** 1) The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. 2) The value of an asset to the owner or a prospective owner for individual investment or operational objectives. (IVS)<sup>1</sup>

**Jurisdictional Exception:** an assignment condition established by applicable law or regulation, which precludes an appraiser from complying with a part of USPAP.<sup>7</sup>

**Leasehold Interest:** The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.<sup>1</sup>

**Leased Fee Interest:** The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.<sup>1</sup>

**Liquidation Value:** The most probable price that a specified interest in real

property should bring under the following conditions: 1) Consummation of a sale within a short time period; 2) The property is subjected to market conditions prevailing as of the date of valuation; 3) Both the buyer and seller are acting prudently and knowledgeable; 4) The seller is under extreme compulsion to sell; 5) The buyer is typically motivated. 6) Both parties are acting in what they consider to be their best interests. 7) A normal marketing effort is not possible due to the brief exposure time 8) Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto. 9) 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. This definition can also be modified to provide for valuation with specified financing terms.<sup>1</sup>

**Load Factor:** A measure of the relationship of common area to useable area and therefore the quality and efficiency of building area layout, with higher load factors indicating a higher percentage of common area to overall rentable space than lower load factors; calculated by subtracting the amount of usable area from the rentable area and then dividing the difference by the usable area:<sup>1</sup>

Load Factor =

$$\frac{(\text{Rentable Area} - \text{Useable Area})}{\text{Useable Area}}$$

**Market Value:** a type of value stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the value definition that is identified by the appraiser as applicable in an appraisal.<sup>7</sup>

**Market Value "As If Complete" On The Appraisal Date:** Market value as if complete on the effective date of the appraisal is an estimate of the market value of a property with all construction, conversion, or rehabilitation hypothetically completed, or under other specified hypothetical conditions as of the date of the appraisal. With regard to properties wherein anticipated market conditions indicate that stabilized occupancy is not likely as of the date of completion, this estimate of value should reflect the market value of the property as if complete and prepared for occupancy by tenants.

**Market Value "As Is" On The Appraisal Date:** Value As Is -The value of specific ownership rights to an identified parcel of real estate as of the effective date of the appraisal; relates to what physically exists and is legally permissible and excludes all assumptions concerning hypothetical market conditions or possible rezoning. See also effective date; prospective value opinion.

**Market Value of the Total Assets of the Business:** The market value of the total assets of the business is the market value of all of the tangible and intangible assets of a business as if sold in aggregate as a going concern. This assumes that the business is expected to continue operations well into the future.<sup>4</sup>

**Marketing Time:** An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property Market Value Opinions" address the determination of reasonable exposure and marketing time).<sup>3</sup>

**Mass Appraisal:** the process of valuing a universe of properties as of a given date using standard methodology, employing common data and allowing for statistical testing.<sup>7</sup>

**Mass Appraisal Model:** a mathematical expression of how supply and demand factors interact in a market.<sup>7</sup>

**Misleading:** intentionally or unintentionally misrepresenting, misstating or concealing relevant facts or conclusions.<sup>7</sup>

**Net Lease:** A lease in which the landlord passes on all expenses to the tenant. See also lease.<sup>1</sup>

**Net Rentable Area (NRA):** 1) The area on which rent is computed. 2) The Rentable Area of a floor shall be computed by measuring to the inside finished surface of the dominant portion of the permanent outer building walls, excluding any major vertical penetrations of the floor. No deductions shall be made for columns and projections necessary to the building. Include space such as mechanical room, janitorial room, restrooms, and lobby of the floor.<sup>5</sup>

**Penetration Ratio (Rate):** The rate at which stores obtain sales from within a trade area or sector relative to the number of potential sales generated; usually applied to existing facilities. Also called: penetration factor.<sup>1</sup>

**Personal Inspection:** a physical observation performed to assist in identifying relevant property characteristics in a valuation service.<sup>7</sup>

**Personal Property:** any tangible or intangible article that is subject to ownership and not classified as real property, including identifiable tangible objects that are considered by the general public as being "personal", such as furnishings, artwork, antiques, gems and jewelry, collectibles, machinery and equipment, and intangible property that is created and stored electronically such as plans for installation art, choreography, emails or designs for digital tokens.<sup>7</sup>

**Physical Characteristics:** attributes of a property that are observable or measurable as a matter of fact, as distinguished from opinions and conclusions, which are the result of some level of analysis or judgement.<sup>7</sup>

**Price:** the amount asked, offered or paid for a property.<sup>7</sup>

**Prospective opinion of value.** A value opinion effective as of a specified future date. The term does not define a type of value. Instead it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.<sup>1</sup>

**Real Estate:** an identified parcel or tract of land, including improvements, if any.<sup>7</sup>

**Real Property:** the interests, benefits and rights inherent in the ownership of real estate.<sup>7</sup>

**Reconciliation:** A phase of a valuation assignment in which two or more value indications are processed into a value opinion, which may be a range of value, a single point estimate, or a reference to a benchmark value.<sup>1</sup>

**Relevant Characteristics:** features that may affect a property's value or marketability such as legal, economic or physical characteristics.<sup>7</sup>

**Reliable Measurement:** [The IAS/IFRS framework requires that] neither an asset nor a liability is recognized in the financial statements unless it has a cost or value that can be measured reliably.<sup>2</sup>

**Remaining Economic Life:** The estimated period over which existing improvements are expected to contribute economically to a property; an estimate of the number of years remaining in the economic life of a structure or structural components as of the effective date of the appraisal; used in the economic age-life method of estimating depreciation.<sup>1</sup>

**Replacement Cost:** The estimated cost to construct, at current prices as of the effective appraisal date, a substitute for the building being appraised, using modern materials and current standards, design, and layout.<sup>1</sup>

**Report:** any communication, written or oral, of an appraisal or appraisal review that is transmitted to the client or a party authorized by the client upon completion of an assignment.<sup>7</sup>

**Retrospective Value Opinion:** A value opinion effective as of a specified historical date. The term retrospective does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion."<sup>1</sup>

**Sales Comparison Approach:** The process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant when an adequate supply of

comparable sales is available.<sup>1</sup>

**Scope of Work:** the type and extent of research and analyses in an appraisal or appraisal review assignment.<sup>7</sup>

**Signature:** personalized evidence indicating authentication of the work performed by the appraiser and the acceptance of the responsibility for content, analyses and the conclusions in the report.<sup>7</sup>

**Stabilized value:** A value opinion that excludes from consideration any abnormal relationship between supply and demand such as is experienced in boom periods when cost and sale price may exceed the long-term value, or during periods of depression, when cost and sale price may fall short of long-term value. It is also a value opinion that excludes from consideration any transitory condition that may cause excessive construction costs, e.g., a premium paid due to a temporary shortage of supply.

**Substitution:** The principle of substitution states that when several similar or commensurate commodities, goods, services are available, the one with the lowest price will attract the greatest demand and widest distribution. This is the primary principle upon which the cost and sales comparison approaches are based.<sup>3</sup>

**Total Assets of a Business:** Total assets of a business is defined by the Appraisal Institute as “the tangible property (real property and personal property, including inventory and furniture, fixtures and equipment) and intangible property (cash, workforce, contracts, name, patents, copyrights, and other residual intangible assets, to include capitalized economic profit).”

**Use Value:**

The value of a property assuming a specific use, which may or may not be the property’s highest and best use on the effective date of the appraisal. Use value may or may not be equal to market value but is different conceptually.<sup>1</sup>

**Valuation Service:** a service pertaining to an aspect of property value, regardless of the type of service and whether it is performed by appraisers or by others.<sup>7</sup>

**Value:** the monetary relationship between properties and those who buy and sell, or use those properties, expressed as an opinion of the worth of a property at a given time.<sup>7</sup>

**Workfile:** data, information and documentation necessary to support the appraiser’s opinions and conclusions and to show compliance with USPAP.<sup>7</sup>

<sup>1</sup>Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute 2010). <sup>2</sup>Appraisal Institute, *International Financial Reporting Standards for Real Property Appraiser*, IFRS Website, [www.ifrs-ebooks.com/index.html](http://www.ifrs-ebooks.com/index.html). <sup>3</sup>Appraisal Institute, *The Appraisal of Real Estate*, 13th ed. (Chicago: Appraisal Institute 2008). <sup>4</sup> This definition is taken from “Allocation of Business Assets Into Tangible and Intangible Components: A New Lexicon,” *Journal of Real Estate Appraisal*, January 2002, Volume LXX, Number 1. This terminology is to replace former phrases such as: value of the going concern. <sup>5</sup>Finacial Publishing Company, *The Real Estate Dictionary*, 7 ed. <sup>6</sup> U.S. Treasury Regulations. <sup>7</sup>USPAP 2020-2021

## LETTER OF ENGAGEMENT

March 13, 2023

Mr. Richard Neslund  
Southwest Aggregates  
14696 Olde Millpond Court  
Ft. Myers, FL 33908

Phone: 239-466-8900

RE: Appraisal Report of Southwest Aggregates, 16470 South Tamiami Trail, Punta Gorda, FL 33955

Dear Mr. Neslund:

We are pleased to submit this proposal and our Terms and Conditions for the Appraisal Report of the above referenced real estate.

### PROPOSAL SPECIFICATIONS

<b>Valuation Premise:</b>	Form an opinion of the Use Value as a Water Storage Reservoir
<b>Property Rights Appraised:</b>	Fee Simple subject to Perpetual Conservation Easements and other encumbrances of record
<b>Intended Use:</b>	Asset Valuation with potential disposition
<b>Intended Users:</b>	Southwest Aggregates, Richard Neslund and designated representatives. A secondary user may include the City of Cape Coral
<b>Scope of Work:</b>	All Applicable Approaches
<b>Inspection:</b>	TBD by mutual agreement
<b>Site/Property Contact:</b>	
	<b>Name:</b>
	<b>Phone:</b>
	<b>Email:</b>
<b>Appraisal Standards:</b>	Uniform Standards of Professional Appraisal Practice (USPAP) and Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute
<b>Report Type:</b>	Appraisal Report
<b>Report Format:</b>	Narrative
<b>Fee:</b>	\$20,000 Fee includes up to two hours of consultation time after delivery of the final reports. Any time incurred thereafter will be billed at an hourly rate.

Please indicate below who is responsible for payment:

Name: RICHARD NESLUND  
Company: SW AGGREGATES  
Address: 14696 OLDE MILLPOND CT.  
Phone: FT MYERS FL, 33908  
Email: NONE  
Signature: Richard Neslund

**Retainer:** 50% at Engagement

**Payment Terms:** Balance is due and payable upon delivery of the final report or within 30 days of your receipt of our draft report, whichever is sooner. If a draft report is requested, the fee is considered earned upon delivery of our draft report. Fee quoted includes all expenses

**Report Copies:** 1 Final PDF & 2 Hard Copies

**Delivery Date:** 3.5 weeks from receipt of signed engagement letter and requested information

**Report Delivery Recipients:** If any other person(s) are authorized to be included on delivery of the report, please include their information in the space below:

**Name(s):**

**Email(s):**

**Acceptance Date:** Date of Execution

**Property Information Request:** The following list of items will be needed within 2 days in order to meet the above referenced delivery date:  
We will send a request for information upon receipt of signed engagement letter  
Do not provide Personally Identifiable Information (PII) to BBG, Inc. or any of its agents. PII is any piece of information meant to identify a specific individual. This includes data such as a Social Security number, driver's license number and financial account numbers.

The attached Terms and Conditions of the Engagement are deemed part of this Appraisal Services Agreement and are incorporated fully herein by reference and shall apply to any appraisal reports, contract or orders into which they are incorporated. In addition, with respect to any appraisal report, any use of or reliance on the appraisal by any party, regardless of whether the use or reliance is authorized or known by BBG, Inc. and its agents, servants, employees, principals, affiliated companies and all those in privity with them, constitutes acceptance of such Terms and Conditions of the Engagement, as well as acceptance of all other appraisal statements, limiting conditions and assumptions stated in the appraisal report. Use of this appraisal report constitutes acknowledgement and acceptance of the Terms and Conditions of the Engagement, special assumptions (if any), extraordinary assumptions (if any), and hypothetical conditions (if any) on which this estimate of market value is based. This appraisal report has been prepared for the exclusive benefit of the client. It may not be used or relied upon by any other party. Any other party who is not the identified client within this report who uses or relies upon any information in this report does so at their own risk.

Client acknowledges and agrees that BBG may anonymize all property and operational information ("Client Data") provided and aggregate with other anonymized data from other Clients and/or other sources and use such aggregated, anonymized Client Data in existing or future BBG product offerings. BBG shall process the Client Data in a manner that renders the form and source of the Client Data unidentifiable to any other Client or third party. We appreciate this opportunity to be of service to you on this assignment. If you have additional questions, please contact us.



As Agent for BBG, Inc.

**AGREED AND ACCEPTED**




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Client Signature

Date 3/20/23

## Terms and Limiting Conditions of the Engagement

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The Terms and Conditions of the Engagement are deemed part of the attached Proposal Specifications and Appraisal and Consulting Services Agreement and are incorporated fully therein, and shall apply to any appraisal services, consulting services, oral testimony, reports, contracts, or orders into which they may be incorporated.

### A) Definitions. In the Terms and Conditions of the Engagement:

1. "BBG, Inc." means BBG, Inc. and its agents, successors, assigns, servants, employees, principals, affiliated companies and all those in privity with them.
2. "Appraiser" means the appraiser(s) performing part or all of the appraisal services and/or signing an appraisal report. "Appraiser" may also mean "Consultant" in a consulting assignment.
3. "Appraisal and Consulting Services Agreement" means any written agreement with Client for performance of the appraisal services by Appraiser, including any agreement entered into electronically.
4. "Client" means any party identified expressly as a client in an Appraisal and Consulting Services Agreement and also any party identified expressly as a client by the Appraiser in an appraisal report.
5. "Appraisal" means any appraisal or consulting report(s) prepared by or oral report and/or testimony presented by BBG, Inc.
6. "Report" means a written or oral report prepared by and/or oral testimony presented by BBG, Inc.

### B) Venue and Jurisdiction

**THIS APPRAISAL AND CONSULTING SERVICES AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE DOMESTIC SUBSTANTIVE LAWS OF THE STATE OF TEXAS, WITHOUT GIVING EFFECT TO ANY CHOICE OR CONFLICT OF LAW PROVISION. IF ANY ACTION RELATING TO THIS APPRAISAL AND CONSULTING SERVICES AGREEMENT OR THE CONTEMPLATED TRANSACTIONS IS BROUGHT BY A PARTY HERETO AGAINST ANY OTHER PARTY HERETO, THE PREVAILING PARTY IN SUCH ACTION WILL BE ENTITLED TO RECOVER ALL REASONABLE EXPENSES RELATING THERETO (INCLUDING REASONABLE ATTORNEYS' FEES AND EXPENSES) FROM THE NON-PREVAILING PARTY.**

Each party to this Appraisal and Consulting Services Agreement (a) hereby irrevocably submits to the exclusive jurisdiction and venue of the state courts located in Dallas County, Texas (or, if but only if such court lacks jurisdiction, the United States District Court for the Northern District of Texas) for the purpose of any Action between any of the parties hereto arising in whole or in part under or in connection with this Appraisal and Consulting Services Agreement, any Ancillary Agreement, or the Contemplated Transactions, (b) hereby waives and agrees not to assert any claim that he, she or it is not subject personally to the jurisdiction of the above-named courts or that any such Action brought in the above-named courts should be dismissed on grounds of forum non conveniens. Notwithstanding the foregoing, a party hereto may commence any Action in a court other than the above-named courts solely for the purpose of enforcing an order or judgment issued by the above-named courts.

### C) Limitations of Liability

It is expressly agreed that in any action which may be brought against BBG, Inc., arising out of, relating to, or in any way pertaining to this engagement, this Appraisal and Consulting Services Agreement, or any services, reports, information, or opinions contained therein or presented, BBG, Inc. shall not be responsible or liable for any incidental or consequential losses, unless the same was fraudulent or prepared with gross negligence. It is further agreed that the collective liability of BBG, Inc. in any such action shall not exceed the fees paid for the preparation of the respective report or services unless the same was fraudulent or prepared with gross negligence. Finally, it is agreed that the fees charged herein are in reliance upon the foregoing limitations of liability.

Client hereby agrees to indemnify, defend, protect, and hold BBG, Inc. harmless from and against all claims, damages, losses and expenses, including attorneys' fees, expenses and costs, incurred upon investigating and defending any claim, action or proceeding arising from, or in any way connected to, relating to, or in any way pertaining to this engagement, this Appraisal and Consulting Services Agreement, or any services, reports, information, or opinions contained therein or presented.

Further, you acknowledge that any opinions and conclusions expressed by professionals employed by BBG, Inc. related to this agreement are representations made by them as employees and not as individuals. BBG, Inc.'s responsibility is limited to you as a Client. The use of BBG, Inc.'s product by third parties is not intended unless

## Terms and Limiting Conditions of the Engagement

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expressly stated and shall be solely at the risk of you and/or third parties. BBG, Inc. acknowledges that Client will be the end-user of, and can rely upon, the opinion and conclusions of BBG, Inc.

### D) Confidentiality

The parties agree that (i) this Appraisal and Consulting Services Agreement and the terms contained herein, (ii) opinions or valuation conclusions, (iii) the identity of the analyst or the firm and any reference to the professional organization of which the appraiser is affiliated or to the designations thereof, and (iv) all information regarding the property of whatever nature made available to either party by the other (including all versions of BBG, Inc.'s final report and all prior drafts of same) and methods of each party revealed during the performance of the Services (altogether, collectively, the "Confidential Information") shall be treated as strictly confidential. Accordingly, neither party nor any employee, agent or affiliate thereof shall disclose the same to any third party without the written consent of other party and approval of Appraiser; provided, however, that, a party shall not hereby be precluded from disclosure of Confidential Information that may be compelled by legal requirements, or from disclosing this Appraisal and Consulting Services Agreement (and the terms contained herein) to its attorneys, accountants, auditors, lenders, and other professionals who may be bound to that party by duties of confidence.

Do not provide Personally Identifiable Information (PII) to BBG, Inc. or any of its agents. PII is any piece of information meant to identify a specific individual. This includes data such as a Social Security number, driver's license number and financial account numbers.

### E) General Assumptions and Limiting Conditions

Appraisal services have been provided with the following general assumptions:

1. Notwithstanding that the Appraiser may comment on, analyze or assume certain conditions in the appraisal or consulting assignment, BBG, Inc. shall have no monetary liability or responsibility for alleged claims or damages pertaining to: (a) title defects, liens or encumbrances affecting the property; (b) the property's compliance with local, state or federal zoning, planning, building, disability access and environmental laws, regulations and standards; (c) building permits and planning approvals for improvements on the property; (d) structural or mechanical soundness or safety; (e) contamination, mold, pollution, storage tanks, animal infestations or other hazardous conditions affecting the property; and (f) other conditions and matters for which licensed real estate appraisers are not customarily deemed to have professional expertise. Accordingly:
  - a) The Appraiser has not conducted any engineering or architectural surveys in connection with this appraisal or consulting assignment. Information reported pertaining to dimensions, sizes, and areas is either based on measurements taken by the Appraiser or the Appraiser's staff or was obtained or taken from referenced sources and is considered reliable. The Appraiser and BBG, Inc. shall not be monetarily liable or responsible for or assume the costs of preparation or arrangement of geotechnical engineering, architectural, or other types of studies, surveys, or inspections that require the expertise of a qualified professional.
  - b) Unless otherwise stated in the written report or oral report, only the real property is considered, so no consideration is given to the value of personal property or equipment located on the premises or the costs of moving or relocating such personal property or equipment. Further, unless otherwise stated, it is assumed that there are no subsurface oil, gas or other mineral deposits or subsurface rights of value involved in this appraisal, whether they are gas, liquid, or solid. Further, unless otherwise stated, it is assumed that there are no rights associated with extraction or exploration of such elements considered. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.
  - c) Any legal description or plats reported in the appraisal are assumed to be accurate. Any sketches, surveys, plats, photographs, drawings or other exhibits are included only to assist the intended user to better understand and visualize the subject property, the environs, and the competitive data. BBG, Inc. has made no survey of the property and assumes no monetary liability or responsibility in connection with such matters.
  - d) Title is assumed to be good and marketable, and in fee simple, unless otherwise stated in the report. The property is considered to be free and clear of existing liens, easements, restrictions, and encumbrances, except as stated. Further, BBG, Inc. assumes there are no private deed restrictions affecting the property which would limit the use of the subject property in any way, except as stated.

## Terms and Limiting Conditions of the Engagement

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- e) The appraisal report is based on the premise that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in the report; additionally, that all applicable zoning, building, and use regulations and restrictions of all types have been complied with unless otherwise stated in the report. Further, it is assumed that all required licenses, consents, permits, or other legislative or administrative authority, local, state, federal and/or private entity or organization have been or can be obtained or renewed for any use considered in the value opinion. Moreover, unless otherwise stated herein, it is assumed that there are no encroachments or violations of any zoning or other regulations affecting the subject property, that the utilization of the land and improvements is within the boundaries or property lines of the property described, and that there are no trespasses or encroachments.
- f) The American Disabilities Act (ADA) became effective January 26, 1992. The Appraiser has not made a specific compliance survey or analysis of the property to determine whether it is in conformity with the various detailed requirements of ADA. It is possible that a compliance survey of the property and a detailed analysis of the requirements of the ADA would reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative impact upon the value of the property. Since the Appraiser has no direct evidence relating to this issue, possible noncompliance with the requirements of ADA was not considered in estimating the value of the property.
- g) No monetary liability or responsibility is assumed for conformity to specific governmental requirements, such as fire, building, safety, earthquake, or occupancy codes, except where specific professional or governmental inspections have been completed and reported in the appraisal report or oral report.
- h) It is assumed the subject property is not adversely affected by the potential of floods unless otherwise stated herein. Further, it is assumed all water and sewer facilities (existing and proposed) are or will be in good working order and are or will be of sufficient size to adequately serve any existing or proposed buildings.
- i) Unless otherwise stated within the appraisal report or oral report, the depiction of the physical condition of the improvements described therein is based on visual inspection. No monetary liability or responsibility is assumed for (a) the soundness of structural members since no engineering tests were conducted; (b) the condition of mechanical equipment, plumbing, or electrical components, as complete tests were not made; and (c) hidden, unapparent or masked property conditions or characteristics that were not clearly apparent during the Appraiser's or Consultant's inspection.
- j) If building improvements are present on the site, it is assumed that no significant evidence of termite damage or infestation was observed during physical inspection, unless so stated in the appraisal report or oral report. Further, unless so stated in the report or oral report, no termite inspection report was available. No monetary liability or responsibility is assumed for hidden damages or infestation.
- k) Unless subsoil opinions based upon engineering core borings were furnished, it is assumed there are no subsoil defects present, which would impair development of the land to its maximum permitted use or would render it more or less valuable. No monetary liability or responsibility is assumed for such conditions or for engineering which may be required to discover them.
- l) BBG, Inc., excepting employees of BBG Assessment, Inc., and the appraiser(s) are not experts in determining the presence or absence of hazardous substances toxic materials, wastes, pollutants or contaminants (including, but not limited to, asbestos, PCB, UFFI, or other raw materials or chemicals) used in construction or otherwise present on the property. BBG, Inc. and the appraiser(s) assume no monetary liability or responsibility for the studies or analyses which would be required to determine the presence or absence of such substances or for loss as a result of the presence of such substances. The Client is free to retain an expert on such matters in this field; however, Client retains such expert at Client's own discretion, and any costs and/or expenses associated with such retention are the responsibility of Client.
- m) BBG, Inc. is not an expert in determining the habitat for protected or endangered species, including, but not limited to, animal or plant life (such as bald eagles, gophers, tortoises, etc.) that may be present on the property. BBG, Inc. assumes no monetary liability or responsibility for the studies or analyses which would be required to determine the presence or absence of such species or for loss as a result of the presence of such species. The Appraiser hereby reserves the right to alter, amend, revise, or rescind any of the value opinions contained within the appraisal report based upon any subsequent endangered species impact studies, research, and investigation that may be provided. However, it is assumed that no environmental impact studies were either requested or made in conjunction with this analysis, unless otherwise stated within the report.

## Terms and Limiting Conditions of the Engagement

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2. If the Client instructions to the Appraiser were to inspect only the exterior of the improvements in the appraisal process, the physical attributes of the property were observed from the street(s) as of the inspection date of the appraisal. Physical characteristics of the property were obtained from tax assessment records, available plans, if any, descriptive information, and interviewing the client and other knowledgeable persons. It is assumed the interior of the subject property is consistent with the exterior conditions as observed and that other information relied upon is accurate.
3. If provided, the estimated insurable value or cost is included at the request of the Client and has not been performed by a qualified insurance agent or risk management underwriter. This cost estimate should not be solely relied upon for insurable value or cost purposes. The Appraiser is not familiar with the definition of insurable value from the insurance provider, the local governmental underwriting regulations, or the types of insurance coverage available. These factors can impact cost estimates and are beyond the scope of the intended use of this appraisal. The Appraiser is not a cost expert in cost estimating for insurance purposes.
4. The dollar amount of any value opinion herein rendered is based upon the purchasing power and price of the United States Dollar as of the effective date of value. Any appraisal report is based on market conditions existing as of the effective date.
5. Any value opinions reported or expressed apply to the entire property. Any proration or division of the total into fractional interests will invalidate the value opinions, unless such proration or division of interests is set forth in the report. Any division of the land and improvement values stated herein is applicable only under the program of utilization shown. These separate valuations are invalidated for any other application.
6. Any projections of income and expenses, including the reversion at time of resale, are not predictions of the future. Rather, they are BBG, Inc.'s best estimate of current market thinking of what future trends will be. No warranty or representation is made that such projections will materialize. The real estate market is constantly fluctuating and changing. It is not the task of an appraiser to estimate the conditions of a future real estate market, but rather to reflect what the investment community envisions for the future in terms of expectations of growth in rental rates, expenses, and supply and demand. The forecasts, projections, or operating estimates contained herein 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 with future conditions.
7. The Appraiser assumes no monetary liability or responsibility for any changes in economic or physical conditions which occur following the effective date of value within this report that would influence or potentially affect the analyses, opinions, or conclusions in the report. Any subsequent changes are beyond the scope of the report.
8. Any proposed or incomplete improvements included in the appraisal report are assumed to be satisfactorily completed in a workmanlike manner or will be thus completed within a reasonable length of time according to plans and specifications submitted.
9. If the appraisal report has been prepared in a so-called "public non-disclosure" state, real estate sales prices and other data, such as rents, prices, and financing, are not a matter of public record. If this is such a "non-disclosure" state, although extensive effort has been expended to verify pertinent data with buyers, sellers, brokers, lenders, lessors, lessees, and other sources considered reliable, it has not always been possible to independently verify all significant facts. In these instances, the Appraiser may have relied on verification obtained and reported by appraisers outside of our office. Also, as necessary, assumptions and adjustments have been made based on comparisons and analyses using data in the report and on interviews with market participants. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
10. Although the Appraiser has made, insofar as is practical, every effort to verify as factual and true all information and data set forth in this report, no responsibility is assumed for the accuracy of any information furnished the Appraiser either by the Client or others. If for any reason, future investigations should prove any data to be in substantial variance with that presented in this report, the Appraiser reserves the right to alter or change any or all analyses, opinions, or conclusions and/or opinions of value.
11. The right is reserved by the Appraiser to make adjustments to the analyses, opinions, and conclusions set forth in the appraisal report as may be required by consideration of additional or more reliable data that may become available. No change of this report shall be made by anyone other than the Appraiser or Consultant. The Appraiser shall have no monetary liability or responsibility for any unauthorized change(s) to the report.
12. The submission of the appraisal report constitutes completion of the services authorized and agreed upon unless other services are provided for in this agreement. Such report is submitted on the condition the Client will provide reasonable notice and customary compensation, including expert witness fees, relating to any

## Terms and Limiting Conditions of the Engagement

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subsequent required attendance at conferences, depositions, or judicial or administrative proceedings, unless otherwise defined herein. In the event the Appraiser is subpoenaed for either an appearance or a request to produce documents, a best effort will be made to notify the Client immediately. Unless paid in whole or in part by the party issuing the subpoena or by another party of interest in the matter, the Client is responsible for all unpaid fees resulting from the appearance or production of documents regardless of who orders the work. A payment agreement must be reached in advance of the Appraiser providing such services.

13. Client shall not disseminate, distribute, make available or otherwise provide any appraisal report prepared hereunder to any third party (including without limitation, incorporating or referencing the report, in whole or in part, in any offering or other material intended for review by other parties) except to (a) any third party expressly acknowledged in a signed writing by Appraiser as an "Intended User" of the report provided that either Appraiser has received an acceptable release from such third party with respect to such report or Client provides acceptable indemnity protections to Appraiser against any claims resulting from the distribution of the report to such third party, (b) any third party service provider (including rating agencies and auditors) using the report in the course of providing services for the sole benefit of an Intended User, or (c) as required by statute, government regulation, legal process, or judicial decree. In the event Appraiser consents, in writing, to Client incorporating or referencing the report in any offering or other materials intended for review by other parties, Client shall not distribute, file, or otherwise make such materials available to any such parties unless and until Client has provided Appraiser with complete copies of such materials and Appraiser has approved all such materials in writing. Client shall not modify any such materials once approved by Appraiser. In the absence of satisfying the conditions of this paragraph with respect to a party who is not designated as an Intended User, the receipt of a report by such party shall not confer any right upon such party to use or rely upon such report, and Appraiser shall have no liability for such unauthorized use or reliance upon such report. In the event Client breaches the provisions of this paragraph, Client shall indemnify, defend and hold Appraiser, and its affiliates and their officers, directors, employees, contractors, agents and other representatives (Appraiser and each of the foregoing an "Indemnified Party" and collectively the "Indemnified Parties"), fully harmless from and against all losses, liabilities, damages and expenses (collectively, "Damages") claimed against, sustained or incurred by any Indemnified Party arising out of or in connection with such breach, regardless of any negligence on the part of any Indemnified Party in preparing the report.

## LEGAL DESCRIPTION

## LEGAL DESCRIPTION

No boundary survey of the property was made available. The following legal description comes from a document entitled *Additional Collateral Second Mortgage*, recorded in OR Book 3390, pages 2032-2036, in the public records of Charlotte County, Florida. It is assumed that this legal description accurately represents the subject property otherwise described in this appraisal report.

### Parcel A:

From the Southwest corner of Lot 57, Block 1, Unit 1, ORANGE GROVE PARK, as recorded in Plat Book 6, at Pages 46A, 46B and 46C, Charlotte County Records, ran South 30 degrees 02'30" East along the Easterly line of US 41, (SR45) a distance of 1233.32 feet; thence South 30 degrees 02'30" East 150 feet; thence South 59 degrees 57'30" West 348.90 feet; thence North 30 degrees 09'10" West 150 feet to the Point of Beginning. Being Lots 32, 33 and 34, Block 10, of an unrecorded portion of ORANGE GROVE PARK, Charlotte County, Florida.

### Parcel B:

From the Southwest corner of Lot 57, Block 1, Unit 1, ORANGE GROVE PARK, as recorded in Plat Book 6, Pages 46A, 46B and 46C, Charlotte County Records, ran South 30 degrees 02'30" East along the Easterly line of U.S. 41 (S.R. 45) a distance of 1233.32 feet; thence South 30 degrees 02'30" East 250 feet; thence South 59 degrees 57'30" West 348.42 feet; thence North 30 degrees 09'10" West 250 feet to the Point of Beginning. Being Lots 35 through 39, inclusive, Block 10, of an unrecorded portion of ORANGE GROVE PARK.

### Parcel C:

From the Southwest corner of Lot 57, Block 1, Unit 1, ORANGE GROVE PARK, as recorded in Plat Book 6, Pages 46-A, 46-B & 46-C, Charlotte County Records, ran South 30 degrees 02'30" East along the Easterly line of U.S. 41 (S.R. 45) a distance of 1233.32 feet; thence South 30 degrees 09'10" East 566.68 feet; thence North 59 degrees 57'30" East 348.90 feet to the Point of Beginning; thence North 30 degrees 02'30" West 10.33 feet; thence East 1867.50 feet; thence North 2471.63 feet; thence East 6537.20 feet; thence South 45 degrees 46'50" East 5427.36 feet; thence South 89 degrees 19' West 1213.70 feet; thence South 89 degrees 19'50" West 5311.57 feet; thence West 1353.26 feet; thence North 1140 feet; thence West 4271.66 feet; thence North 30 degrees 02'30" West 278.46 feet to the Point of Beginning. Lying in Sections 27 through 30, Township 42 South, Range 24 East, Charlotte County, Florida.

### Parcel D:

From the Southwesterly corner of Lot 16, Block 4, ORANGE GROVE PARK, Part 1, as recorded in the Plat Book 6, Pages 46 A/C, Charlotte County Records, ran South 50 feet; thence East 140 feet; thence South 600 feet to the P.O.B. Thence East 500 feet; South 500 feet; West 500 feet; North 600 feet to the P.O.B. containing 6.887 acres and lying in Section 29-42-24, Charlotte County, Florida.

### Parcel E:

From the Southwesterly corner of Lot 16, Block 4, ORANGE GROVE PARK, Part 1, as recorded in Plat Book 6, Pages 46 A/C, Charlotte County Records, ran South 50 feet; thence East 140 feet; thence South 1200 feet to P.O.B. thence East 500 feet; South 500 feet; West 500 feet; North 600 feet to the P.O.B. containing 6.887 acres and lying in Section 29-42-24, Charlotte County, Florida.

### Parcel F:

From the Southwesterly corner of Lot 16, Block 4, ORANGE GROVE PARK, Part 1, as recorded in Plat Book 6, Pages 46 A/C, Charlotte County Records, ran South 50 feet; thence East 140 feet; thence South 1800 feet to the P.O.B. thence East 500 feet; South 671.63 feet, West 500 feet, North 671.63 feet to the P.O.B. containing 7.709 acres and lying in Section 29-42-24, Charlotte County, Florida.

### Parcel G:

From the Southwesterly corner of Lot 16, Block 4, ORANGE GROVE PARK, Part 1 as recorded in Plat Book 6, Pages 46 A/C, Charlotte County Records, run South 50 feet; thence East 140 feet to the P.O.B. thence East 500 feet, South 600 feet, West 500 feet, North 600 feet to the P.O.B. containing 6.887 acres and lying in section 29-42-24, Charlotte County, Florida.

Parcel H:

A parcel of land in Sections 29 and 30, Township 42 South, Range 24 East, of Charlotte County, Florida, more particularly described as follows:

From the Southwest Corner of Lot 57, Block 1, Unit 1, ORANGE GROVE PARK, as recorded in Plat Book 6, Pages 46A thru 46C, of the Public Records of Charlotte County, Florida, run South 30°02'03" East along the Easterly Right-of-Way line of U.S. 41 (S.R. 45) a distance of 1,233.32 feet; thence South 30°09'10" East 1822.73 feet; thence North 59°50'50" East 346.47 feet to the Point of Beginning; Thence North 30°02'30" West, 976.91 feet; thence East 4271.66 feet; thence South 1140 feet; thence West 3249.02 feet; thence North 30°09'10" West, 522.52 feet; thence South 59°50'50" West, 313.53 feet to the Point of Beginning.

Parcel I:

Being a part of the Southeast One-Quarter of Section 30 and a part of the South One-Half of Section 29, Township 42 South, Range 24 East, Charlotte County, Florida, more particularly described as follows:

Commencing at the Southwest Corner of Lot 57, Block 1, Unit 1, ORANGE GROVE PARK, as recorded in Plat Book 6, Pages 46A thru 46C, of the Public Records of Charlotte County, Florida run South 30°02'30" East along the Northeasterly Right-of-Way line of U.S. 41 (S.R. 45) a distance of 1,233.32 feet; thence South 30°09' 10" East, along the said Northeasterly Right-of-Way line, a distance of 1822.73 feet to the Point of Beginning; said point being North 30°09'10" West, a distance of 171.93 feet from the Intersection of said Northeasterly Right-of-Way Line with the South Line of said Section 30; Thence North 59°50'50" East, a distance of 660.00 feet; thence South 30°09'10" East, a distance of 522.52 feet to a point on a line 30 feet North and parallel with the South line of said Section 29; thence due West a distance of 648.29 feet to a point on the West line of said Section 29, lying 30 feet North of the Southwest Comer of said Section 29; thence North 89°33'51" West along a line parallel with and 30 feet North of the South line of said Section 30, a distance of 117.52 feet to a point on the Northeasterly Right-of-Way Line of said U.S. 41; thence North 30°09'10" West, along said Northeasterly Right-of-Way Line a distance of 138.08 feet to the Point of Beginning.

Parcel J:

All those parts of the South Half of Section 20, the South Half of Section 21, Section 28, Section 27 and Section 34, lying Northeasterly of the North right-of-way line of the Seminole Gulf Railroad (formerly Atlantic Coastline Railroad) and Southwesterly of the Southwesterly right-of-way of Interstate Highway 75, Township 42 South, Range 24 East, Charlotte County, Florida.

Parcel K:

From the Southwest corner of Lot 57, Block 1, Unit 1, ORANGE GROVE PARK, as recorded in Plat Book 6, Pages 46A, 46B and 46C of the Public Records of Charlotte County, Florida, run South 30°02'30" East along the easterly line of U.S. 41 (SR 45) a distance of 1233.32 feet; thence South 30°09'10" East 566.68 feet; thence North 59°57'30" East 348.90 feet; thence North 30° 02'30" West 10.33 feet to the POINT OF BEGINNING; thence North 30°02'30" West 1389.67 feet; North 69°57'30" East 435 feet; North 30°02'30" West 300 feet; North 59°57'30" East 50 feet; North 30°02'30" West 33.47 feet; North 55°46'30" East 436.16 feet; South 73°42'20" East 289.30 feet; East 380 feet; North 573.02 feet; East 792 feet; South 2471.63 feet; West 1367.50 feet to the POINT OF BEGINNING. Lying in Sections 29 and 30, Township 42 South, Range 24 East, Charlotte County, Florida.

Parcel L;

Tract A, ORANGE GROVE PARK, Part One, according to the map or plat thereof as recorded in Plat Book 6, Page(s) 46A, Public Records of Charlotte County, Florida.

Parcel M:

That portion of the following described property lying Southwesterly of the right-of-way of Interstate 75.

The South one-half of the following described property: That portion of the following described property lying North and East of the A.C.L. Railroad Right-of-Way to wit: Begin at a point 104 ft. East of the North-South Quarter Section line of Section 35, Township 42 South, Range 24 East on the North line of said Section as a Point-of-Beginning: Thence run Westerly to the Northwest corner of said Section; Thence ran South along the West line of said Section 35 to its intersection with the Northeasterly Right-of-Way of the A.C.L. Railroad; Thence ran Southeasterly along said railroad right-of-way to its intersection with the South line of Section 35; Thence run East along the South line of said Section 35 to a point on said South line 104 ft. East of the North-South Quarter Section line; Thence run North to the Point-of-Beginning, in Section 35, Township 42 South, Range 24 East, being in Charlotte County, Florida.

## RESERVOIR SALES

**Sale Comparable #1**  
**Vulcan Bellwood Quarry**  
 900 Lois Street Northwest  
 Atlanta, GA 30318  
 Fulton County  
 BBG Property #727630



<b>Property Data</b>			
Property Type/Use	<b>Land Specialty</b>	Lat/Long	<b>33.784061 / -84.4340</b>
Parcel ID #	<b>017 0190 LL053 and others</b>	Census Tract	<b>0087.02</b>
Opportunity Zone	<b>No</b>	Access	<b>Via Lois Street NW</b>
Gross Land Area	<b>5,978,174 SF 137.24 Acres</b>	Net Land Area	<b>2,178,000 SF 50.00 Acres</b>
Flood Designation	<b>Zone X (Shaded)</b>	Reservoir Capacity	<b>5,830 acre-feet</b>
Utilities	<b>All available to site.</b>	Terrain / Topography	<b>Rolling with 400-foot deep reservoir</b>
Easements / Encroachments	<b>None detrimental known</b>	Zoning	<b>I-L Industrial</b>
Comments	<b>This property is located about a mile west of Midtown in Atlanta, Georgia proximate to the Chattahoochee River.</b>		

<b>Sale Transaction Data for BBG Event #847258 on 6/30/2006</b>				<b>Gross Area</b>
Transaction Date	<b>6/30/2006</b>	Consideration	<b>\$40,000,000</b>	Price PSF <b>\$6.69</b>
Sale Status	<b>Closed</b>	Less Park Land (\$5psf)	<b>-\$20,000,000</b>	Price Per Acre <b>\$291,460</b>
		Cash Equivalent Price	<b>\$20,000,000</b>	Price Per Acre-foot <b>\$3,431</b>
Property Rights	<b>Fee Simple</b>			
Grantor	<b>Vulcan Materials Company</b>			
Grantee	<b>City of Atlanta</b>			
Record Info	<b>42930/564</b>			
Comments	<p>The City of Atlanta purchased the Bellwood Quarry property from Vulcan Materials Company for approximately \$40 million. Approximately \$25 million was paid for Vulcan's interest in a long-term lease agreement. The underlying fee simple land was acquired for \$15.2 million. This property had been operating as a granite quarry for the past 100 years. The City of Atlanta purchased the property for use as a 50-acre drinking water reservoir with a capacity of 1.9 billion gallons. Vulcan Materials had been mining the site since 1998. The agreement allows for continued mining operations for a period of two additional years under a lease from the City. In 2016, testing began for a \$280 million project linking the quarry with the Chattahoochee River via a five-mile tunnel. Surrounding properties have been assembled totaling a 280-acre "green space" park for the benefit of the Atlanta residents.</p>			
Verification	<b>8/1/2017 Mathew Arbuckle, Vulcan Materials</b>			

**Sale Comparable #2**  
**East Cooley Pit**  
 E. 104th Avenue  
 Thornton, CO 80640  
 Adams County  
 BBG Property #727636



<b>Property Data</b>			
Property Type/Use	<b>Land Specialty</b>	Lat/Long	<b>39.888116 / -104.8981</b>
Parcel ID #	<b>0172109300001</b>	Census Tract	<b>0085.35</b>
Opportunity Zone	<b>No</b>	Access	<b>Via E. 104th Avenue</b>
Gross Land Area	<b>7,143,840 SF 164.00 Acres</b>	Net Land Area	<b>6,316,200 SF 145.00 Acres</b>
Flood Designation	<b>Zone X (Unshaded)</b>	Reservoir Capacity	<b>4,000 acre-feet</b>
Utilities	<b>Available in area (Within 200 yards)</b>	Terrain / Topography	<b>Generally level to rolling.</b>
Easements / Encroachments	<b>Subject to utility easements, ditch easements, and right-of-way easements</b>	Zoning	<b>Mining Conservation</b>
Comments	<b>This reservoir site is along the S. Platte River. The area is comprised of both agricultural, as well as industrial uses with some scatter subdivisions. No contributing improvements.</b>		

<b>Sale Transaction Data for BBG Event #847268 on 12/14/2000</b>					<b>Gross Area</b>
Purchase Agreement Signed	<b>12/14/2000</b>	Consideration	<b>\$13,020,000</b>	Price PSF	<b>\$1.82</b>
Sale Status	<b>Closed</b>	Adjustments	<b>\$0</b>	Price Per Acre	<b>\$79,390</b>
		Cash Equivalent Price	<b>\$13,020,000</b>	Price Per Acre-foot	<b>\$3,255</b>
Property Rights	<b>Fee Simple</b>				
Grantor	<b>Aggregate Industries-West Central Region, Inc. (Formerly CAMAS Colorado, Inc. &amp; Cooley Gravel Company)</b>				
Grantee	<b>City of Thornton</b>				
Record Info	<b>C0747425</b>				
Comments	<b>According to the Option and Purchase Agreement, there are two stated prices. Those being \$1,000,000 as the option price and the other being a price of \$3,005 acre-foot for the water storage capacity. This pit includes a soil-bentonite liner in the cost of construction. Also includes a dam. The seller performed all remedial, removal, and mitigation measures at its expense provided the cost does not exceed \$3,255,000. The sale price was agreed upon and the result of a Settlement Agreement. The reservoir was delivered in 2016. All permits were paid by seller. This property has been annexed into the City of Thornton.</b>				
Verification	<b>8/16/2017 Scott Twombly, City of Thornton Real Estate Manager</b>				

**Sale Comparable #3**

**Rogers Pit**

Tuscon Resource Mine M-1991-140

Todd Creek, CO 80603

Adams County

BBG Property #727652



<b>Property Data</b>			
Property Type/Use	<b>Land Specialty</b>	Lat/Long	<b>39.997744 / -104.8326</b>
Parcel ID #	<b>0157101002001</b>	Census Tract	<b>0085.60</b>
Opportunity Zone	<b>No</b>	Access	<b>Via Tuscon Street</b>
Gross Land Area	<b>4,704,480 SF 108.00 Acres</b>	Net Land Area	<b>4,268,880 SF 98.00 Acres</b>
Flood Designation	<b>Zone X (Unshaded)</b>	Reservoir Capacity	<b>3,000 acre-feet</b>
Utilities	<b>All available in area (within 1 mile)</b>	Terrain / Topography	<b>Generally, level with a rise to east</b>
Easements / Encroachments	<b>Subject to utility easements, rights-of-way, ditch easements</b>	Zoning	<b>Mining Conservation</b>
Comments	<b>The area is a mixture of agricultural uses but also a number of mining operations (sand and gravel). There are industrial uses along U.S. 85. Some scattered rural residential on acreage tracts to the west and southwest. It is near the S. Platte River. No contributing improvements.</b>		

<b>Sale Transaction Data for BBG Event #847301 on 12/14/2000</b>					<b>Gross Area</b>
Purchase Agreement Signed	<b>12/14/2000</b>	Consideration	<b>\$7,200,000</b>	Price PSF	<b>\$1.53</b>
Sale Status	<b>Closed</b>	Adjustments	<b>\$0</b>	Price Per Acre	<b>\$66,667</b>
		Cash Equivalent Price	<b>\$7,200,000</b>	Price Per Acre-foot	<b>\$2,400</b>
Property Rights	<b>Fee Simple</b>				
Grantor	<b>Aggregate Industries-West Central Region, Inc. (Formerly CAMAS Colorado, Inc. &amp; Cooley Gravel Company)</b>				
Grantee	<b>City of Thornton</b>				
Record Info	<b>C0747426</b>				
Comments	<b>According to the Option and Purchase Agreement reviewed, the seller had expected to be complete with mining operations and have the water storage reservoir ready for delivery to the City of Thornton by December 31, 2002. It was not delivered until 2010. The sale price was the result of a Settlement Agreement. An allocation of the purchase price between amounts received for the Reservoir and amounts received in exchange for services performed to prepare the Reservoir for sale to the City of Thornton (Service Fee) was made by the seller. This reservoir has a soil-bentonite liner that was installed by the seller. All permits were paid by seller for approval of reservoir for water storage. The site is adjacent to an abandoned railroad right-of-way (Boulder Branch of Union Pacific Railroad Company).</b>				
Verification	<b>8/16/2017 Scott Twombly, City of Thornton Real Estate Manager</b>				

**Sale Comparable #4**  
**Hammer Pit**  
 14790 Riverdale Road  
 Brighton, CO 80602  
 Adams County  
 BBG Property #727666



<b>Property Data</b>			
Property Type/Use	<b>Land Specialty</b>	Lat/Long	<b>39.956286 / -104.8588</b>
Parcel ID #	<b>0157123201003</b>	Census Tract	<b>0085.61</b>
Opportunity Zone	<b>No</b>	Access	<b>Via Riverdale Road</b>
Gross Land Area	<b>6,098,400 SF 140.00 Acres</b>	Net Land Area	<b>5,227,200 SF 120.00 Acres</b>
Flood Designation	<b>Zone X (Unshaded)</b>	Reservoir Capacity	<b>2,600 acre-feet</b>
Utilities	<b>Available in area (Within ½-1 mile near golf course)</b>	Terrain / Topography	<b>Generally level in center. Slopes from east to west.</b>
Easements / Encroachments	<b>Subject to utility rights-of-way, ditch and utility easements, tributary rights</b>	Zoning	<b>Mining Conservation</b>
Comments	<b>This property is located in an area predominantly characterized as agricultural, yet is in transition to residential with large homes on acreage tracts along the bluffs and hills in the area. It is near the S. Platte River.</b>		

<b>Sale Transaction Data for BBG Event #847320 on 12/14/2000</b>					<b>Gross Area</b>
Purchase Agreement Signed	<b>12/14/2000</b>	Consideration	<b>\$7,800,000</b>	Price PSF	<b>\$1.28</b>
Sale Status	<b>Closed</b>	Adjustments	<b>\$0</b>	Price Per Acre	<b>\$55,714</b>
		Cash Equivalent Price	<b>\$7,800,000</b>	Price Per Acre-foot	<b>\$3,000</b>
Property Rights	<b>Fee Simple</b>				
Grantor	<b>Aggregate Industries-West Central Region, Inc. (Formerly CAMAS Colorado, Inc. &amp; Cooley Gravel Company)</b>				
Grantee	<b>City of Thornton</b>				
Record Info	<b>C0747423</b>				
Comments	<b>According to the Option and Purchase Agreement reviewed, the seller originally anticipated delivery of the reservoir with a water storage capacity of 2,600 acre-foot by December 31, 2006 when all mining operations were to be complete and the soil-bentonite liner installed and paid for by the seller. The sale price of \$3,000 acre-foot was the result of a Settlement Agreement. The option date, or date of delivery was in 2010. Seller determined allocation of the sale price between amounts received in exchange for the reservoir and amounts received in exchange for services performed to prepare the reservoir for the City of Thornton. All permits were paid by seller. Seller agreed to perform all remedial, removal, and mitigation actions identified in Phase I not to exceed \$1,950,000. Closing costs were split 50%/50%.</b>				
Verification	<b>8/16/2017 Scott Twombly, City of Thornton Real Estate Manager</b>				

**Sale Comparable #5**  
**West Cooley Pit**  
 10100 McKay Road  
 Henderson, CO 80229  
 Adams County  
 BBG Property #727671



**Property Data**

Property Type/Use	<b>Land Specialty</b>	Lat/Long	<b>39.879531 / -104.9104</b>
Parcel ID #	<b>0172117101001, 0172117102030, 0172117401014, 0172117401002</b>	Census Tract	<b>0091.03</b>
Opportunity Zone	<b>No</b>	Access	<b>Via McKay Road</b>
Gross Land Area	<b>7,190,014 SF 165.06 Acres</b>	Net Land Area	<b>6,098,400 SF 140.00 Acres</b>
Flood Designation	<b>Zone X (Unshaded)</b>	Reservoir Capacity	<b>4,500 acre-feet</b>
Utilities	<b>Available in area (Within ¼ mile)</b>	Terrain / Topography	<b>Generally level to slightly sloping.</b>
Easements / Encroachments	<b>Subject to ditch, utility, right-of-way easements, oil &amp; gas leases</b>	Zoning	<b>Mining Conservation</b>
Comments	<b>This reservoir site is along the S. Platte River. The area is comprised of both agricultural, as well as industrial uses with some scatter subdivisions.</b>		

**Sale Transaction Data for BBG Event #847326 on 12/14/2000** **Gross Area**

Purchase Agreement Signed	<b>12/14/2000</b>	Consideration	<b>\$13,103,000</b>	Price PSF	<b>\$1.82</b>
Sale Status	<b>Closed</b>	Adjustments	<b>\$0</b>	Price Per Acre	<b>\$79,383</b>
		Cash Equivalent Price	<b>\$13,103,000</b>	Price Per Acre-foot	<b>\$2,912</b>

Property Rights	<b>Fee Simple</b>
Grantor	<b>Aggregate Industries-West Central Region, Inc. (Formerly CAMAS Colorado, Inc. &amp; Cooley Gravel Company)</b>
Grantee	<b>City of Thornton</b>
Record Info	<b>C0747424</b>
Comments	<b>Based upon review of the Option &amp; Purchase Agreement, the seller anticipated delivery of 4,500 acre-foot reservoir to the City of Thornton by December 31, 2006 when all mining will be complete and the reservoir with soil-bentonite liner installed. The transfers were made in phases in 2004 and 2006. The cost of the liner was borne by the seller. The sale price was established by a Settlement Agreement. The payment for the option was \$1,250,000. The balance was based upon having 4,500 acre-foot of water storage capacity at a price of \$2,912 per acre-foot. All permits were paid by seller. The seller performed all remedial, removal, and mitigation actions identified in the Phase I at its expense not to exceed \$3,275,750. Upon completion of reservoir, property was annexed to the City of Thornton.</b>
Verification	<b>8/16/2017 Scott Twombly, City of Thornton Real Estate Manager</b>

**Sale Comparable #6**  
**North Dahlia Pit**  
 Dahlia Street  
 Henderson, CO 80640  
 Adams County  
 BBG Property #727682



<b>Property Data</b>			
Property Type/Use	<b>Land Specialty</b>	Lat/Long	<b>39.860087 / -104.9235</b>
Parcel ID #	<b>0172120301002</b>	Census Tract	<b>0088.02</b>
Opportunity Zone	<b>No</b>	Access	<b>Via E 88th Avenue</b>
Gross Land Area	<b>7,027,970 SF</b>	Net Land Area	<b>6,316,200 SF</b>
	<b>161.34 Acres</b>		<b>145.00 Acres</b>
Flood Designation	<b>Zone X (Unshaded)</b>	Reservoir Capacity	<b>2,700 acre-feet</b>
Utilities	<b>All available in area (within 1/4 mile)</b>	Terrain / Topography	<b>Generally, level with rise to east</b>
Easements / Encroachments	<b>Subject to utility easements, rights-of-way, ditch easements, oil &amp; gas leases</b>	Zoning	<b>A-1 Agricultural</b>
Comments	<b>This reservoir is one of the closest to the City of Thornton. Residential neighborhoods can be found 1/2-mile to one-mile west of this reservoir. The area is more industrial in character to the east. The subject is near the S. Platte River and is completely mined out.</b>		

<b>Sale Transaction Data for BBG Event #847335 on 12/31/2000</b>				<b>Gross Area</b>	
Transaction Date	<b>12/31/2000</b>	Consideration	<b>\$7,695,000</b>	Price PSF	<b>\$1.09</b>
Sale Status	<b>Closed</b>	Adjustments	<b>\$0</b>	Price Per Acre	<b>\$47,694</b>
		Cash Equivalent Price	<b>\$7,695,000</b>	Price Per Acre-foot	<b>\$2,850</b>
Property Rights	<b>Fee Simple</b>				
Grantor	<b>Aggregate Industries-West Central Region, Inc. (Formerly CAMAS Colorado, Inc. &amp; Cooley Gravel Company)</b>				
Grantee	<b>City of Thornton</b>				
Record Info	<b>C0742224</b>				
Comments	<b>Mining was complete on this property at the time the purchase agreement was signed and available for use as a reservoir. Sale price was the result of a Settlement Agreement. Purchase price was based upon an agreed upon price of \$2,850 per acre-foot for water storage rights. All permits to be paid by the seller for approval of reservoir for water storage. Seller to fence entire property and provide access road at their cost.</b>				
Verification	<b>8/16/2017 Scott Twombly, City of Thornton Real Estate Manager</b>				

## UNENCUMBERED LAND SALES

**Sale Comparable #1**  
**Bell Boulevard Mine**  
 21260 Florida 82  
 Fort Myers, FL 33913  
 Lee County  
 BBG Property #725991



<b>Property Data</b>			
Property Type/Use	<b>Land Specialty</b>	Lat/Long	<b>26.527951 / -81.6056</b>
Parcel ID #	<b>27-45-27-00-00001.0000 34-45-27-00-00001.0040</b>	Census Tract	<b>0401.38</b>
Opportunity Zone	<b>No</b>	Frontage	<b>4,400 feet along SR 82</b>
Gross Land Area	<b>21,886,722 SF 502.45 Acres</b>	Net Land Area	<b>21,886,722 SF 502.45 Acres</b>
Flood Designation	<b>Zone X (Unshaded)</b>	Flood Panel	<b>12051C 0325 D Dated July 6, 2015</b>
Utilities	<b>The subject utilizes a well and septic system.</b>	Terrain / Topography	<b>Varying</b>
Easements / Encroachments	<b>None detrimental known</b>	Zoning	<b>IPD Industrial Planned Development</b>
Comments	<b>The Bell Boulevard Mine is made up of 6 million tons of import fill and 21 million tons of base rock.</b>		

<b>Sale Transaction Data for BBG Event #845155 on 5/4/2022</b>					<b>Gross Area</b>
Transaction Date	<b>5/4/2022</b>	Consideration	<b>\$15,300,000</b>	Price PSF	<b>\$0.70</b>
Sale Status	<b>Closed</b>	Adjustments	<b>\$0</b>	Price Per Acre	<b>\$30,451</b>
		Cash Equivalent Price	<b>\$15,300,000</b>		
Property Rights	<b>Fee Simple</b>				
Grantor	<b>MCIN BELL, LLC</b>				
Grantee	<b>Seagate Mine, LLC</b>				
Record Info	<b>2022000159329</b>				
Comments	<b>Earth Tech Enterprises, a Seagate company, began mining the site starting in June 2022.</b>				
Verification	<b>4/18/2023 James Nulf, buyer</b>				

**Sale Comparable #2**  
**Greenpoint Developers Site**  
 11710 Tamiami Trail  
 Punta Gorda, FL 33955  
 Charlotte County  
 BBG Property #725945

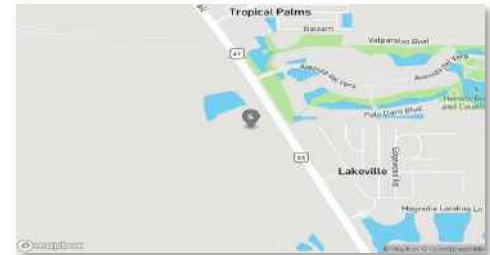


**Property Data**

Property Type/Use	<b>Land Residential</b>	Lat/Long	<b>26.866345 / -81.9824</b>
Parcel ID #	<b>412335300007 and portions of 412335300001 and 412335400001</b>	Census Tract	<b>0105.04</b>
Opportunity Zone	<b>No</b>	Frontage	<b>1,450 feet on Tamiami Trail</b>
Gross Land Area	<b>24,393,600 SF 560.00 Acres</b>	Net Land Area	<b>24,393,600 SF 560.00 Acres</b>
Flood Designation	<b>Zone D</b>	Flood Panel	<b>12015C 0430 F Dated May 5, 2003</b>
Utilities	<b>Typical utilities and municipal services available to in area</b>	Terrain / Topography	<b>Generally level</b>
Easements / Encroachments	<b>None detrimental known</b>	Zoning	<b>PD Planned Development</b>
Comments	<b>Irregular shaped tract located between US Highway 41 and Interstate 75 north of Tucker Grade Road interchange.</b>		

<b>Sale Transaction Data for BBG Event #845095 on 12/15/2021</b>					<b>Gross Area</b>
Transaction Date	<b>12/15/2021</b>	Consideration	<b>\$16,675,000</b>	Price PSF	<b>\$0.68</b>
Sale Status	<b>Closed</b>	Adjustments	<b>\$0</b>	Price Per Acre	<b>\$29,777</b>
		Cash Equivalent Price	<b>\$16,675,000</b>		
Property Rights	<b>Fee Simple</b>				
Grantor	<b>Tuckers Point I Limited Partnership</b>				
Grantee	<b>Tuckers Development, LLC</b>				
Record Info	<b>3039279</b>				
Comments	<b>The community will consist of 1,389 total units. Development plans for Phase 1 include 344 home sites and community amenities. Construction was anticipated to begin in 2022 with pricing from the high \$200,000s.</b>				
Verification	<b>4/18/2023 Ashley Barrett Bloom, broker</b>				

**Sale Comparable #3**  
**MHC Pine Lakes II**  
 17001 Tamiami Trail  
 Punta Gorda, FL 33955  
 Charlotte County  
 BBG Property #725899



<b>Property Data</b>			
Property Type/Use	<b>Land Agriculture</b>	Lat/Long	<b>26.763756 / -81.9296</b>
Parcel ID #	<b>05-43-24-C1-00001.0000 05-43-24-00-00001.0000 07-43-24-C1-00001.0000</b>	Census Tract	<b>0105.06</b>
Opportunity Zone	<b>No</b>	Frontage	<b>1 mile along Tamiami Trail</b>
Gross Land Area	<b>47,974,370 SF 1,101.34 Acres</b>	Net Land Area	<b>47,974,370 SF 1,101.34 Acres</b>
Flood Designation	<b>Zone X (Unshaded) &amp; D</b>	Flood Panel	<b>12071C 0090 F Dated August 28, 2008</b>
Utilities	<b>Typical utilities and municipal services available in the area</b>	Terrain / Topography	<b>Generally level</b>
Easements / Encroachments	<b>None detrimental known</b>	Zoning	<b>AG-2 Agricultural</b>
Comments	<b>Irregularly shaped tract of undeveloped land comprised of three tax parcels. A portion of this property is located in an undetermined flood plain, Zone D.</b>		

<b>Sale Transaction Data for BBG Event #845054 on 10/8/2021</b>				<b>Gross Area</b>
Transaction Date	<b>10/8/2021</b>	Consideration	<b>\$16,000,000</b>	Price PSF <b>\$0.33</b>
Sale Status	<b>Closed</b>	Adjustments	<b>\$0</b>	Price Per Acre <b>\$14,528</b>
		Cash Equivalent Price	<b>\$16,000,000</b>	
Property Rights	<b>Fee Simple</b>			
Grantor	<b>ZREV Farm, LLC</b>			
Grantee	<b>MHC Pine Lakes II, LLC</b>			
Record Info	<b>2021000403161</b>			
Comments	<b>Zemel family sold hundreds of acres of agricultural land to MHC Pine Lakes for the expansion of an established 362-acre mobile home park. The zoning of the property was subsequently changed from Agricultural to Mobile Home Planned Development for 300+ new homes.</b>			
Verification	<b>4/18/2023 Deed, public records</b>			

**Sale Comparable #4**  
**Former South Florida Motorsports Park**  
 39450 Bermont Road  
 Punta Gorda, FL 33982  
 Charlotte County  
 BBG Property #726057

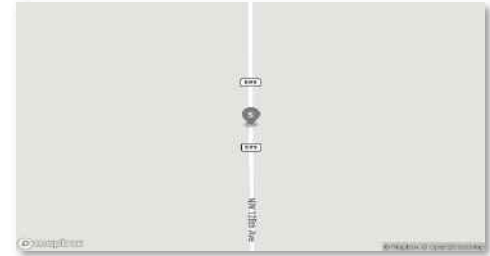


Property Data			
Property Type/Use	Land Agriculture	Lat/Long	26.946218 / -81.8034
Parcel ID #	402525233003, 402525233004, 402525426004, 402525426006, 402526101001, 402526102001, 402526102002, 402526103001, 402526104001, 402526126002	Census Tract	0101.00
Opportunity Zone	No	Frontage	4,100 feet on Bermont Road
Gross Land Area	43,472,880 SF 998.00 Acres	Net Land Area	43,472,880 SF 998.00 Acres
Flood Designation	Zone X (Unshaded)	Flood Panel	12051C 0300 F Dated May 5, 2003
Utilities	The subject utilizes a well and septic system.	Terrain / Topography	Varying
Easements / Encroachments	None detrimental known	Zoning	AG Agriculture
Comments	Irregular shaped site comprised of 10 tax parcels. Shell Creek crosses rear of the tract otherwise mostly uplands.		

Sale Transaction Data for BBG Event #845266 on				Gross Area
Transaction Date	Consideration	\$0	Price PSF	\$0.35
Sale Status	Listing	Adjustments	Price Per Acre	\$15,025
		Cash Equivalent Price		
Property Rights	Fee Simple			
Grantor	Hall Family Ranch			
Grantee	N/A			
Comments	998± acres of recreation land, a former multi-themed outdoor adventure park with agricultural zoning. Opportunity for material extraction, an RV park, farming, hunting or other agricultural use in addition to the recreation component Charlotte County special exception in place for a recreation facility with a multitude of uses.			
Verification	4/18/2023 Christi Pritchett, listing agent			

## ENCUMBERED LAND SALES

**Sale Comparable #1**  
**Conservation Easement**  
 3820 Northwest 128th Avenue  
 Okeechobee, FL 34972  
 Okeechobee County  
 BBG Property #630718



Property Data			
Property Type/Use	<b>Land</b>	Lat/Long	<b>27.275099 / -80.9615</b>
Parcel ID #	<b>1-06-37-34-0A00-00001-A000</b>	Census Tract	<b>9101.01</b>
Opportunity Zone	<b>No</b>	Frontage	<b>NW 128th Avenue</b>
Gross Land Area	<b>14,087,740 SF</b> <b>323.41 Acres</b>	Net Land Area	<b>9,579,715 SF</b> <b>219.92 Acres</b>
Flood Designation	<b>Zone A</b>	Flood Panel	<b>12093C 0400C</b> <b>Dated July 16, 2015</b>
Utilities	<b>Well and septic</b>	Terrain / Topography	<b>Generally level</b>
Easements / Encroachments	<b>Perpetual Conservation Easement</b>	Zoning	<b>AC</b>
Comments	<b>Conservation Easement</b>		

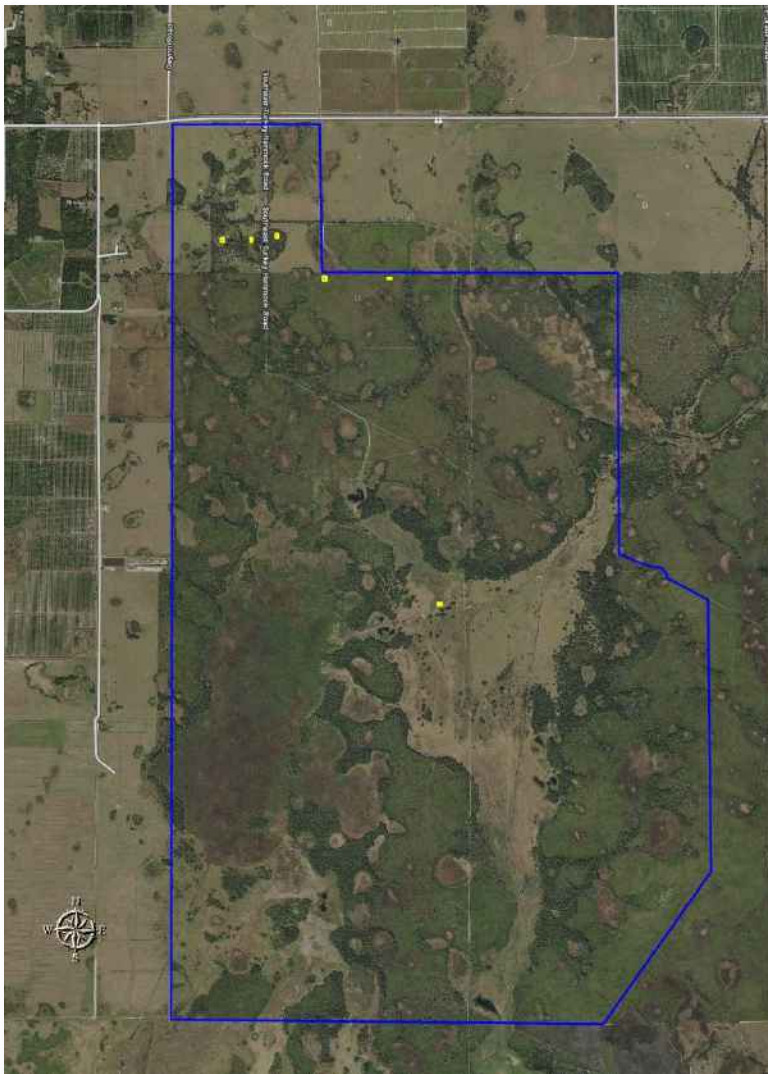
Sale Transaction Data for BBG Event #775103 on 6/14/2022					Gross Area
Transaction Date	<b>6/14/2022</b>	Consideration	<b>\$800,000</b>	Price PSF	<b>\$0.06</b>
Sale Status	<b>Closed</b>	Adjustments	<b>\$0</b>	Price Per Acre	<b>\$2,474</b>
		Cash Equivalent Price	<b>\$800,000</b>		
Property Rights	<b>Fee Simple</b>				
Grantor	<b>Kissimmee Oaks, LLC</b>				
Grantee	<b>Robert J. Underbrink</b>				
Comments	<p>This property and an adjacent property are part of a larger encumbered tract totaling 2,604-acres that is encumbered by a "WRP" (Wetlands Reserve Program) conservation easement dated June 17, 2008 and recorded in O.R. Book 655, Page 1752 Public Records of Okeechobee County, Florida. The only permitted use is passive recreation uses, along with cattle grazing based upon a 5-year term as approved by the easement owner.</p> <p>The ranch has approximately one-half (0.50) miles of paved road frontage on the west side of NW 128th Avenue, a two-lane public road. The access to the western portion of the ranch is via a 70-foot wide non-exclusive ingress/egress easement through adjacent land. The land is rectangular in shape, measuring approximately 1.00-mile wide by 2.00-miles deep containing 323.41-acres according to the Okeechobee County Property Appraiser. Approximately 68% is probable uplands and 32% is potential jurisdictional wetlands. The uplands are a mix of improved pasture, oak &amp; cabbage palm hammocks, and native pastures. The wetlands represents seasonally wet depressions and freshwater marsh. Within the 0.75-acre fee vested envelope is a 2,000 square foot frame pole barn.</p>				
Verification	<b>9/23/2022</b> <b>Warren Prescott of Kissimmee Oaks, LLC</b>				

**Sale Comparable #2**  
**Conservation Easement**  
 Florida 78  
 Moore Haven, FL  
 Glades County  
 BBG Property #554318



Property Data					
Property Type/Use	<b>Land Agriculture</b>	Lat/Long	<b>26.812594 / -81.3453</b>		
Parcel ID #	<b>A-20-42-30-A00-0010-0000, A-21-42-30-A00-0010-0000, A-29-42-30-A00-0010-0000</b>	Frontage	<b>5,253' SR 78, 2,738' Caloosahatchee Canal</b>		
Gross Land Area	<b>19,664,726 SF 451.44 Acres</b>	Net Land Area	<b>9,846,302 SF 226.04 Acres</b>		
Flood Designation	<b>Zone A</b>	Flood Panel	<b>12043C 0486, 0487 C Dated September 26, 2014</b>		
Utilities	<b>The subject utilizes a well and septic system.</b>	Terrain / Topography	<b>Generally level, natural grasses, mixed shrubs, former citrus grove</b>		
Easements / Encroachments	<b>Perpetual Conservation Easement</b>	Zoning	<b>OUA Open Use Agricultural (FLU - Agricultural/Open, Conservation)</b>		
Sale Transaction Data for BBG Event #713662 on 4/9/2020					
Transaction Date	<b>4/9/2020</b>	Consideration	<b>\$1,167,250</b>	Price PSF	<b>\$0.06</b>
Sale Status	<b>Closed</b>	Adjustments	<b>\$0</b>	Price Per Acre	<b>\$2,586</b>
		Cash Equivalent Price	<b>\$1,167,250</b>		
Property Rights	<b>Fee Simple</b>				
Grantor	<b>Falcon Eyrie Farms, LC</b>				
Grantee	<b>Cypress Grove - OFC, LLC</b>				
Record Info	<b>202022000906</b>				
Comments	<p>This sale was an arm's length, cash to seller transaction. This represents a current sale along the north side of the Caloosahatchee Canal near Moore Haven and being just south of Lake Okeechobee. Lake Okeechobee connects the Gulf of Mexico in Ft. Myers via this canal and its locks. This sale represents a mixture of agricultural lands, native lands, and forested areas. Soil types are predominantly Eaugallie, Basinger, Immokalee and Floridana components. Approximately 225.4 acres are reported being hydric soils. There are 24.63 acres as relates to dikes and levees. Approximately 153 acres are in citrus in poor condition due to greening. In reviewing the PCE in favor of The Nature Conservancy, the property was purchased to assist in order to preserve natural and ecological resources of the Caloosahatchee River watershed and Everglades. The property could not be subdivided. Landowner could repair/maintain existing improvements. Landowner must employ BMPs and continue production of existing citrus operation. Can eventually convert citrus lands to pasturelands. No mining allowed. Allowed to maintain game food plots. No planting of exotics. No dumping. No new residential entitlements.</p>				
Verification	<b>4/13/2022 Jennifer Peregrin, Managing Partner, PRC, Deed</b>				

**Sale Comparable #3**  
**Conservation Easement**  
 9809 Florida 70  
 Arcadia, FL 34266-4584  
 DeSoto County  
 BBG Property #581388

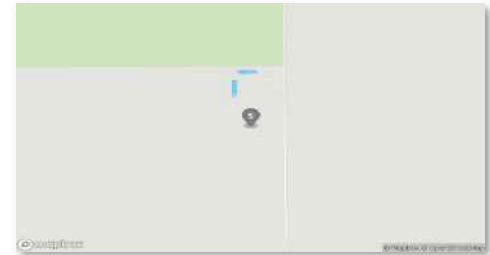


Property Data			
Property Type/Use	Land Agriculture	Lat/Long	27.201556 / -81.7185
Parcel ID #	Numerous Parcel IDs	Census Tract	0101.02
Opportunity Zone	No	Frontage	2,891' - Highway 70
Gross Land Area	498,369,960 SF 11,441.00 Acres	Net Land Area	348,872,040 SF 8,009.00 Acres
Flood Designation	Zone A	Flood Panel	12027C 0205, 0215, 0220, 0330 C Dated November 6, 2013
Utilities	The subject utilizes a well and septic system.	Terrain / Topography	Generally level with elevations of 60-65' AMSL. Surface drainage south to southeast
Easements / Encroachments	Perpetual Conservation Easement	Zoning	A-10 Agriculture (FLU - Rural/Agriculture and Preservation)
Comments	The site is irregular yet mostly rectangular with northern and eastern appendages. Vegetation includes upland pines, natural pine stands, xeric oak hammocks, palmetto flatwoods, wet prairie, bottomland hardwoods and several man-made lakes/ponds. There are several water features that include Tiger Bay Slough and Sheep Pen Marsh.		

Sale Transaction Data for BBG Event #728584 on 2/14/2020				Gross Area	
Transaction Date	2/14/2020	Consideration	\$18,273,800	Price PSF	\$0.04
Sale Status	Closed	Adjustments	\$-3,577,695	Price Per Acre	\$1,597
		Cash Equivalent Price	\$14,696,105		
Property Rights	Fee Simple				
Grantor	Land South Arcadia, LLC				
Grantee	J & L Triple B Ranch, LLLP				
Record Info	20201400941				
Comments	<p>We are very familiar with this property having appraised it subsequent to its purchase. There have been substantial improvements made to the property after its purchase to include roller-chopping much of the property, improving existing roads and trails as well as drainage swales with the addition of the whole property being fenced and cross fenced with high fencing. There are two older wood frame residences near the road frontage and within the unencumbered 661 acres that have no contributory value and were in poor shape and not habitable. These were built in 1950 and 1963. There is a large 6,137 square foot main lodge with 5 bedrooms and 4 baths constructed in 1963 and in good condition. There is also an enclosed and air conditioned swimming pool and deck. There are also several barns and game cleaning sheds in average condition.</p> <p>While the property is 11,441 gross acres in size with 70% representing uplands, 10,780 acres are encumbered by a Perpetual Conservation Easement with 661 acres being unencumbered. The property has ample road frontage along the south side of Highway 70 several miles east of Arcadia and near the State prison. The soils map included 26 different soil types being represented by mostly fine sands although 900 acres are deemed to be represented by muck soils. There are several 2" and 6" wells running in depths from 30' to 400'.</p> <p>Originally Land South Arcadia purchased 18,565 acres for \$22,500,000 in November 2018 (\$1,212/ac). Approximately 16,319 gross acres were encumbered by a PCE. They later sold 11,441 acres to the current owner for \$18,273,800 or \$1,597 per gross acre in February 2020. A breakdown of the most recent sale price based upon our personal inspection of the improvements along with allocation made by the buyer and recorded within DeSoto County Property Appraiser various property record cards.</p> <p>Sale Price - \$18,273,800  Less: Contributory Value of Unencumbered 661 ac @ \$4,500/ac - (\$2,974,500)  Less: Contributory Value of Main Lodge (6,137 sq. ft @ \$75/SF) - (\$460,275)  Less: Contributory Value of Several Residences (2,132 sq. ft. @ \$60/SF) - (\$127,920)  Less: Contributory Value of Sheds/Barns - (\$15,000)  Residual to Land - \$14,696,105  Price \$ Gross Ac (10,780 ac) - \$1,363</p> <p>The Conservation Easement is an older one from May 1998 and covers the subject as well as additional acreage not conveyed. There shall be no new construction but can maintain existing structures, trails, ditches, and fencing. No provision for dumping, no provision for planting of exotics, no exploration for or extraction of oil, gas mining or removal of sand, peat, rock, and soil. Permitted activities include livestock/farm animals, native ranges must stay the same. Select harvesting of timber in uplands but not in wetlands, existing improvements represent acceptable uses. Hunting and fishing and other recreational uses are permitted. On the original larger parent tract of 18,565 acres there were 4 subdivisions of acreage. Three have been exercised leaving only one more division of acreage. The subject and one other owner can claim this entitlement, dependent upon who exercises the division first.</p>				
Verification	5/31/2022 Keenan Baldwin, Owner's Representative, PRC, Deed				

**Sale Comparable #4  
Conservation Easement**

Southeast Highlands County Line Road  
Arcadia, FL  
DeSoto County  
BBG Property #554372



**Property Data**

Property Type/Use	Land Agriculture	Lat/Long	27.091393 / -81.5644
Parcel ID #	12-39-27-0000-0020-0000, 10-39-27-0000-0015-0000, 02-39-27-0000-0010-0000, 11-39-27-0000-0050-0000, 11-39-27-0000-0060-0000, 10-39-27-0000-0010-0000, 11-39-27-0000-0030-0000, 11-39-27-0000-0040-0000, 03-39-27-0000-0010-0000, 01-39-27-0000-0010-0000		
Census Tract	0101.02	Frontage	10,032' Highlands County Line Road
Gross Land Area	161,879,850 SF 3,716.25 Acres	Net Land Area	93,890,531 SF 2,155.43 Acres
Flood Designation	Zone A	Flood Panel	12043C 0125 C Dated September 26, 2014
Utilities	The subject utilizes a well and septic system.	Terrain / Topography	Generally level to sloping
Easements / Encroachments	Perpetual Conservation Easement	Zoning	A-10, Agriculture (FLU - Preservation)

**Sale Transaction Data for BBG Event #713729 on 9/10/2019**

				Gross Area
Transaction Date	9/10/2019	Consideration	\$5,388,600	Price PSF
Sale Status	Closed	Adjustments	\$0	Price Per Acre
		Cash Equivalent Price	\$5,388,600	

Property Rights	Fee Simple
Grantor	Spanish Trail Land and Cattle Company, LLC
Grantee	Betsy G. Abell as Trustee of the Betsy G. Abell 1984 Grantor Trust
Record Info	201914005877
Comments	This sale was an arm's length, cash to seller transaction. This sale represents a working cattle ranch. Topography included pasturelands, shrub, bush lands, hardwoods, pines, reservoir, creek, swamp area, freshwater marshes, wet prairies and cypress. Ingress/egress easement in Sections 11-14. Utility easement. Soils include: Delray mucky fine sand, depressional; Eaugallie fine sand; Farnton fine sand; Felda fine sand; Florida mucky fine sand, depressional; Gator muck, depressional; Anclote mucky fine sand, depressional; Immokalee fine sand; Malabar fine sands; Basinger fine sand; Samsula muck, depressional; Smyrna fine sand; Terra Ceia muck, depressional; Valkaria fine sand; and Basinger fine sand, depressional. Approximately 1,184 acres represents freshwater marshes and another 509 acres represents wet prairies. Includes one (1) residential entitlement. Subdivision no less than 1,000 acres. Selective upland timber harvesting, cattle grazing but no pigs, poultry, or dairy farming. Hunting and fishing permitted. SWFWMD has Right of First Refusal.
Verification	4/13/2022 Greg Betterton, Manager, PRC, Deed

## APPRAISER QUALIFICATIONS AND LICENSES

## Profile

Rob Hicks is a Senior Appraiser with more than 30 years of real estate experience, currently working out of the Tampa office. He began his career in real estate by appraising commercial property in the Tampa Bay market area specializing in industrial valuations. Following six years of appraisal experience and continued specialized education, a broader level of real estate experience was achieved through various other employment opportunities, including commercial real estate sales, leasing, construction management, property management, condemnation, public relations, and governmental affairs. Many of these experiences came during a 10-year stretch as Vice President of Real Estate for Clear Channel Outdoor, where he maintained real estate leases and easements for more than 2,000 billboard locations in the surrounding eight county market area. Rob Hicks returned to appraising in 2011 bringing this diverse knowledge of real estate practices and an enhanced level of experience necessary to take on the most challenging of appraisal assignments including rock mines, transportation corridors, ALF's, island/coastal properties, parking lots, marinas, billboards, schools/churches, RV/MHP, hotel/motel, self-storage, residential subdivisions and CDD's, wet and submerged lands and vehicle dealerships to name a few. His appraisal competency incorporates various ownership interests including Fee Simple, Leased Fee, Leaseholds, Condominiums, Going-Concerns, Ground Leases, Utility/Access Easements, Conservation Easements, Timeshare Estates, Fractional/Partial Interest, and Transfer Development Rights. He also possesses significant tax experience serving many years as special magistrate in every west Florida county between Citrus and Sarasota, hearing real estate tax appeal cases and making recommendations to the various Value Adjustment Boards and has been certified by the Florida Supreme Court as a Certified County Court Mediator.

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## Professional Affiliations

Appraisal Institute  
MAI Designation

State of Florida  
State-Certified General Real Estate Appraiser RZ1059  
Licensed Real Estate Broker BK534411

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## Education

Florida State University  
Bachelor of Science 1989  
Major in Finance, Major in Real Estate

Since college graduation Rob Hicks has received many specialized educational offerings by the Florida Department of Revenue, The Florida Association of Realtors, Dispute Resolution Center of the Florida Courts, as well as the Appraisal Institute, where he has completed more than 700 hours of specialized appraisal education including hotel/motel valuation, parking lot valuation, qualitative analysis, regression analysis, evaluating commercial leases and analyzing operating expenses, as well as advanced highest and best use analysis and market studies.

**VALUATION****ASSESSMENT**



Ron DeSantis, Governor

Melanie S. Griffin, Secretary



**STATE OF FLORIDA  
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION**

**FLORIDA REAL ESTATE APPRAISAL BD**

THE CERTIFIED GENERAL APPRAISER HEREIN IS CERTIFIED UNDER THE  
PROVISIONS OF CHAPTER 475, FLORIDA STATUTES

**HICKS, ROBERT C**

3800 W BAY TO BAY BOULEVARD  
UNIT 23  
TAMPA FL 33629

**LICENSE NUMBER: RZ1059**

**EXPIRATION DATE: NOVEMBER 30, 2024**

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## Profile

Kyle Catlett, MAI has joined BBG Valuation & Advisory Services as a Director as of November 2021. Prior to joining BBG, Kyle was President of Trigg, Catlett & Associates a local firm that can trace its beginnings in Tampa back to 1950. Mr. Catlett has over 10 years of commercial appraisal experience. Since beginning his appraisal career, he has since completed diverse appraisal reports covering all major commercial property classes, including hotel, multifamily, retail, industrial, office, subdivisions, eminent domain and a variety of special purpose properties including over 60± Conservation Easements, agricultural/silviculture lands in excess of 58,000± acres, mines (lime rock, sand & gravel, coquina, granite et. al), air rights, submerged lands, ground leases, marinas, automobile dealerships, cell towers, ALF's and mitigation banks. These valuation and consulting activities have been conducted on behalf of major financial institutions, community banks, pension funds, government agencies, major corporations, individual investors, as well as legal and accounting firms.

Kyle is a Tampa, Florida native having graduated from Jesuit High School and The University of Alabama, where he received a Bachelor of Science in Business and a minor in Spanish Language. Kyle is licensed as a Certified General Real Estate Appraiser in Florida, Louisiana, North Carolina, South Carolina, Tennessee and Alabama and is a designated member (MAI) of the Appraisal Institute, a global membership association of professional real estate appraisers.

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## Professional Affiliations

### Appraisal Institute

MAI – Designation

### Certified Real Estate Appraiser

Florida- RZ 3875

Alabama- G01451

North Carolina- A8353

South Carolina- 8250

Tennessee- 5689

Louisiana- G4413

### Licensed Florida Real Estate Sales Associate

SL3293620

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## Education

University of Alabama, 2012

Bachelor of Science in Commerce & Business Administration

Minor: Spanish Language



VALUATION



ASSESSMENT

## Specialized Education

- Courses completed under the direction of the Appraisal Institute
- Basic Appraisal Principles (2013)
- Basic Appraisal Procedures (2013)
- 15 Hour National USPAP Course (2013)
- Residential Report Writing & Case Studies (2013)
- General Appraiser Sales Comparison Approach (2013)
- General Appraiser Income Approach/Part I (2013)
- General Appraiser Income Approach/Part II (2014)
- 15 Hour Florida Rules & Law (2013)
- Real Estate Finance, Statistics & Valuation Modeling (2013)
- General Appraiser Market Analysis and Highest & Best Use (2014)
- General Appraiser Report Writing & Case Studies (2015)
- General Appraiser Site Valuation & Cost Approach (2015)
- Business Practices and Ethics (2015)
- Quantitative Analysis (2016)
- Advanced Market Analysis and Highest and Best Use (2017)
- Advanced Income Capitalization (2017)
- Valuation of Conservation Easements (2017)
- Uniform Appraisal Standards for Federal Land Acquisitions (Yellow Book) (2017)
- Advanced Concepts and Case Studies (2018)
- Evaluating Commercial Leases: The Tenant and the Terms Both Matter (2019)
- Raise Your Appraiser IQ (2019)
- Appraising Convenience Stores (2020)
- Cool Tools: New Technology for Real Estate Appraisers (2020)
- Review Theory General (2020)
- Artificial Intelligence, AVMs, and Blockchain: Implications for Valuation (2020)
- Eminent Domain and Condemnation (2021)
- The Valuation of Water and Wastewater Utility Systems (2021)
- Appraiser's Guide to Expert Witnessing (2022)
- Southwest Florida Energy Efficiency & Green Features Explored (2022)
- Analyzing Operating Expenses (2022)
- Forecasting Revenues (2022)

## Expert Witness Experience

- Manatee County, Florida VAB Hearings
- Hillsborough County, Florida VAB Hearings
- Pasco County, Florida VAB Hearings
- US Bankruptcy Court, Middle District Florida
- Tenth Judicial Circuit Florida



VALUATION



ASSESSMENT



Ron DeSantis, Governor

Melanie S. Griffin, Secretary



**STATE OF FLORIDA**  
**DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION**

**FLORIDA REAL ESTATE APPRAISAL BD**

THE CERTIFIED GENERAL APPRAISER HEREIN IS CERTIFIED UNDER THE  
PROVISIONS OF CHAPTER 475, FLORIDA STATUTES

**CATLETT, KYLE AUSTIN**

3800 W BAY TO BAY BOULEVARD  
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**LICENSE NUMBER: RZ3875**

**EXPIRATION DATE: NOVEMBER 30, 2024**

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