



MAXWELL HENDRY SIMMONS
real estate appraisers & consultants

Appraisal Report

"Seven Islands" Vacant Land
606 Old Burnt Store Road North
106 Old Burnt Store Road North
4100 Tropicana Parkway West
Cape Coral, Lee County, Florida 33991

Date of Valuation: 3 October 2017

Date of Report: 23 October 2017

File Name: 17096505 – City of Cape Coral – Seven Islands



Prepared For
City of Cape Coral
c/o Real Estate Division
PO Box 150027
Cape Coral, Florida 33915



MAXWELL·HENDRY·SIMMONS
real estate appraisers & consultants

23 October 2017

City of Cape Coral
c/o Real Estate Division
PO Box 150027
Cape Coral, Florida 33915

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

Re: Appraisal of "Seven Islands" vacant land located at 606 Old Burnt Store Road North, 106 Old Burnt Store Road North, and 4100 Tropicana Parkway West, Cape Coral, Florida 33991

Dear Mr. Sayers:

As you requested, an appraisal has been made of the above property, which is legally described in the attached report. This letter is an integral part of, and inseparable from, this report.

The purpose of the appraisal is to arrive at an opinion of market value of the subject property based upon the following Hypothetical Conditions: (1) the zoning has been changed from the existing zoning designations and Future Land Use Plan designations to Seven Islands District and Mixed Use, respectively and that the D-1 Concept Plan as discussed within the attached report has been approved; (2) all utilities including water and sewer service are available at the site; and (3) the "cut and fill" has been accomplished, effectively reducing the existing land size by 0.80 acres. The interest being appraised is the undivided fee simple interest in the land as if otherwise free and clear of all liens, mortgages, encumbrances, and/or encroachments. The intended use of this appraisal report is understood to be for use as a basis of value for internal auditing decisions. The intended user of this report is the City of Cape Coral.

The subject property was inspected on 3 October 2017 by Bruce A. Stephan, MAI, and a subsequent inspection was also conducted by Gerald A. Hendry, MAI, CCIM. This appraisal report is intended to conform to the Uniform Standards of Professional Appraisal Practice & the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute. This appraisal is made subject to the Assumptions and Conditions contained in the body of this report.

Based upon our analysis of the data contained in the attached appraisal report, it is our opinion that the market value of the subject property based upon the above discussed Hypothetical Conditions, as of 3 October 2017, is

TWENTY FIVE MILLION THREE HUNDRED TWENTY THOUSAND DOLLARS - \$25,320,000**

***See Hypothetical Conditions*

Respectfully submitted,

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

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

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SEC. I: INTRODUCTION

OWNER OF RECORD:	City of Cape Coral
ADDRESSES:	1 - 606 Old Burnt Store Road N, Cape Coral, Florida 33991 2 - 106 Old Burnt Store Road N, Cape Coral, Florida 33991 3 - 4100 Tropicana Parkway W, Cape Coral, Florida 33991
TAX IDs:	1 - 12-44-22-C2-00807.A000 2 - 13-44-22-C2-00801.G000 3 - 12-44-22-C2-00808.I000
LEGAL DESCRIPTION:	Lengthy. Please see Property Characteristics section.
SITE AREA:	2,198,994 square feet / 50.48 acres (As Is) 2,164,061 square feet / 49.68 acres (Hypothetical Condition)
IMPROVEMENTS:	None
ZONING / FUTURE LAND USE:	R-1A, R-1B, RD/SM, Park (As Is) Seven Islands District/Mixed Use (Hypothetical)
HIGHEST & BEST USE AS VACANT:	Mixed Use Development (D-1 Concept Plan)
EFFECTIVE DATE OF THE APPRAISAL:	3 October 2017
DATE OF THE REPORT:	23 October 2017
INTENDED USER:	This appraisal is made for the exclusive use of our client, City of Cape Coral, and its use by others is strictly prohibited.
INTENDED USE:	The intended use of this assignment is for internal auditing decisions.
VALUE INDICATIONS:	
COST APPROACH:	N/A
SALES APPROACH:	\$25,320,000
INCOME APPROACH:	N/A
FINAL OPINION:	\$25,320,000



AERIAL



OLD BURNT STORE ROAD NORTH LOOKING S'LY



SEC. II: SCOPE OF WORK

According to the Uniform Standards of Professional Appraisal Practice (USPAP), 2016/17 Ed., the Scope of Work includes, but is not limited to:

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

EXTENT OF PROPERTY IDENTIFICATION

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

EXTENT OF INSPECTION

For the purposes of this appraisal, Bruce A. Stephan, MAI conducted an inspection of the subject property on 3 October 2017. Gerald A. Hendry, MAI, CCIM conducted a subsequent inspection.

TYPE AND EXTENT OF DATA RESEARCH

Data research is regularly conducted using the following sources:

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

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

TYPE AND EXTENT OF ANALYSIS

Purpose of the Appraisal

The purpose of this appraisal is to formulate an opinion of the fee simple market value of the subject property based upon the following described Hypothetical Conditions as if free and clear of all liens, mortgages, encumbrances, and/or encroachments.



Condition Appraised

In this analysis, we are estimating the market value of the subject property based upon certain Hypothetical Conditions discussed below.

Real Property Interest Appraised

There are primarily two forms of interest to consider when developing an opinion of value of real property. These are defined by The Appraisal Institute in The Dictionary of Real Estate Appraisal, 6th Ed., as follows:

Fee simple interest (estate) is:

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

Leased fee interest is:

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

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

Value Appraised

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

The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus.

Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- a. Buyer and seller are typically motivated.
- b. Both parties are well informed or well advised, and acting in what they consider their own best interests.
- c. A reasonable time is allowed for exposure in the open market.
- d. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- e. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Approaches Developed

Due to the fact that the subject property exists as vacant land, we have utilized the Sales Comparison Approach exclusively in estimating market value.



Report Type

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

ASSUMPTIONS

An Assumption is defined by the Uniform Standards of Appraisal Practice (USPAP), 2016/17 Ed., as

“that which is taken to be true”.

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

EXTRAORDINARY ASSUMPTIONS

Extraordinary Assumption is defined by the Uniform Standards of Appraisal Practice (USPAP), 2016/17 Ed., as

“an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser’s opinions or conclusions.”

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

None applicable.

HYPOTHETICAL CONDITIONS

Hypothetical Condition is defined by the Uniform Standards of Appraisal Practice (USPAP), 2016/17 Ed., as

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

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

- the zoning has been changed from the existing zoning designations and Future Land Use Plan designations to Seven Islands District and Mixed Use, respectively and that the D-1 Concept Plan as discussed herein has been approved
- all utilities including water and sewer service are available at the site
- the “cut and fill” has been accomplished, effectively reducing the existing land size by 0.80 acres



SEC. III: MARKET AREA ANALYSIS

SOUTHWEST FLORIDA / LEE COUNTY DATA

Lee County, named for Robert E. Lee, was created from Monroe County in 1887, and included the present-day Collier, Hendry, and Lee Counties. Lee County was split into the three (3) current counties in 1923. The present-day Lee County encompasses 1,212 square miles, with a variety of natural inland, coastal, and barrier island habitats and a year-round population of 618,754 as of the 2010 census. The county's western boundary is the Gulf of Mexico. The county contains a total of 803 square miles of land area and 200 ± square miles of inland water area. The county is ranked thirteenth in area in the state. The westerly flowing Caloosahatchee River bisects the county and is part of the cross-state Intracoastal Waterway. There are several incorporated municipalities in Lee County as follows:

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

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

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

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

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

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

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

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

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

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

Village of Estero: Incorporated 2015.

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

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



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

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

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

I. Social Forces

Population fluctuation has a significant impact on property values. The chart below demonstrates the change in population between the two most recent decennial Censuses.

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

II. Economic Forces

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

	2017	2016	2015	2014
UNEMPLOYMENT RATE ¹	3.8% (May)	4.6% (Annual)	5.0% (Annual)	6.0% (Annual)
AVERAGE WEEKLY WAGE ¹	N/A	\$844 (4Q)	\$842 (4Q)	\$803 (4Q)
SINGLE-FAMILY MEDIAN PRICE ²	\$237,500 (May)	\$227,400 (Annual)	\$210,000 (Annual)	\$189,000 (Annual)
RETAIL VACANCY RATE ³	5.2% (2Q)	5.6% (4Q)	6.2% (4Q)	6.9% (4Q)
OFFICE VACANCY RATE ³	7.4% (2Q)	8.6% (4Q)	10.7% (4Q)	12.3% (4Q)
INDUSTRIAL VACANCY RATE ³	2.2% (2Q)	3.4% (4Q)	5.8% (4Q)	6.2% (4Q)

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



III. Governmental Forces

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

Services

The cities of Fort Myers, Cape Coral, and Sanibel each have their own police and fire protection. The Town of Fort Myers Beach has its own fire protection, but no police protection. Police protection for Fort Myers Beach is provided by the Lee County Sheriff's Department. The balance of the county is patrolled by the Florida State Highway Patrol and the Lee County Sheriff's Department. The police system is adequate. Lee County has experienced a decrease in the crime rate in recent years. Fire protection is also adequate as substations are situated in all portions of the county and is provided by independent special districts outside of the incorporated cities.

Utilities

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

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

There is an adequate supply of potable water for business or private use either from the City of Fort Myers, the City of Cape Coral, the City of Bonita Springs, Florida Governmental Utility Authority, or from Lee County's water utility system. Areas of Lee County not covered by municipalities are serviced by Lee County Utilities and the Greater Pine Island Water Association. Sewer service is provided either by Lee County Utilities, Florida Governmental Utility Authority, or the city municipality.

Medical Services

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

Communications

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



Educational System

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

Transportation

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

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

Land Use Control

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

IV. Environmental Forces

The county has a sub-tropical climate. The average temperature is 74.4 degrees with a monthly mean high of 91.6 in the summer months and an average winter mean of 64.1 degrees. Rainfall averages approximately 52 inches annually with the heaviest rains during the summer months.

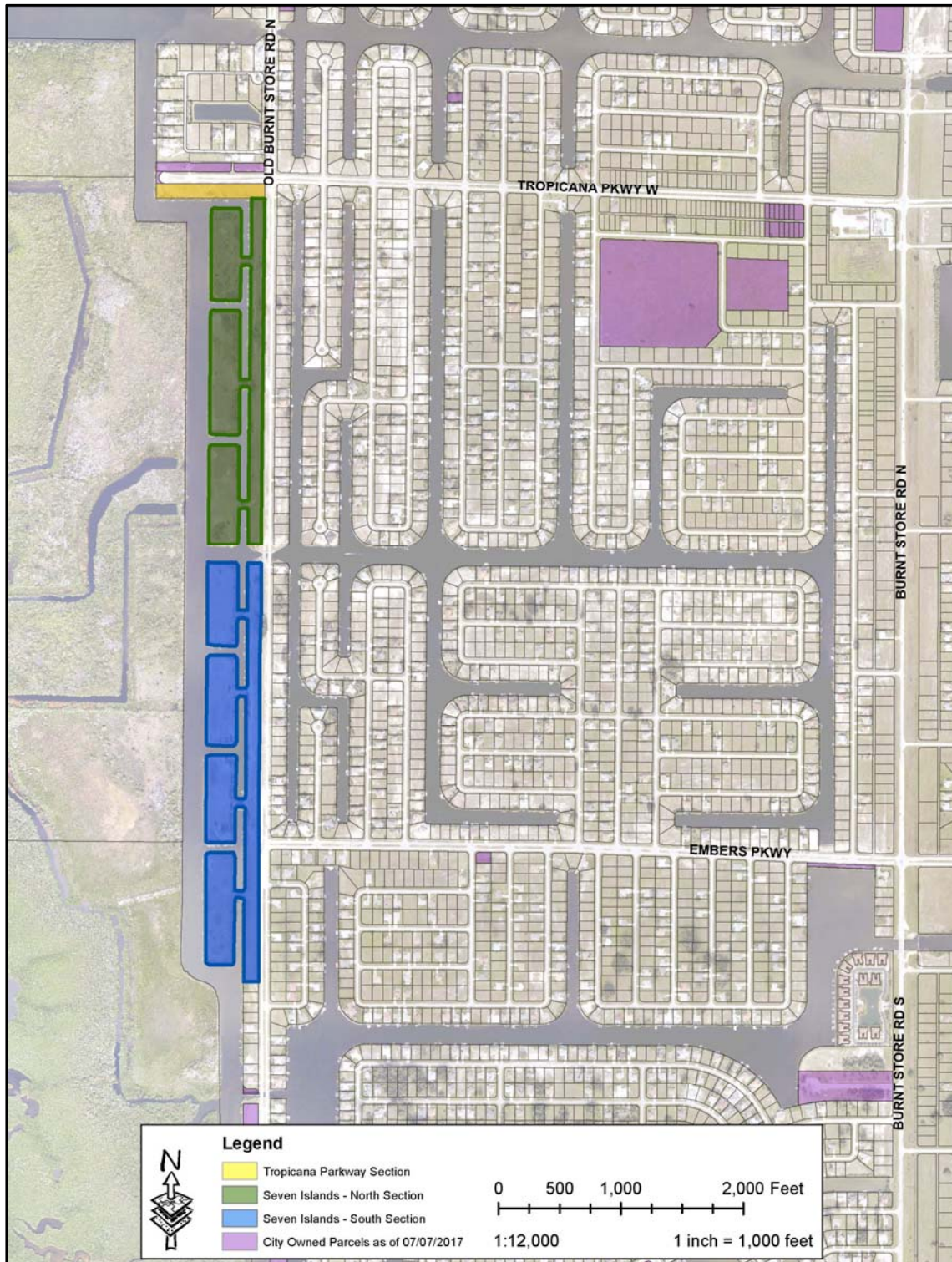
CONCLUSION / LIFE CYCLE STAGE

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



SEC. IV: PROPERTY DESCRIPTION

LOCATION MAP



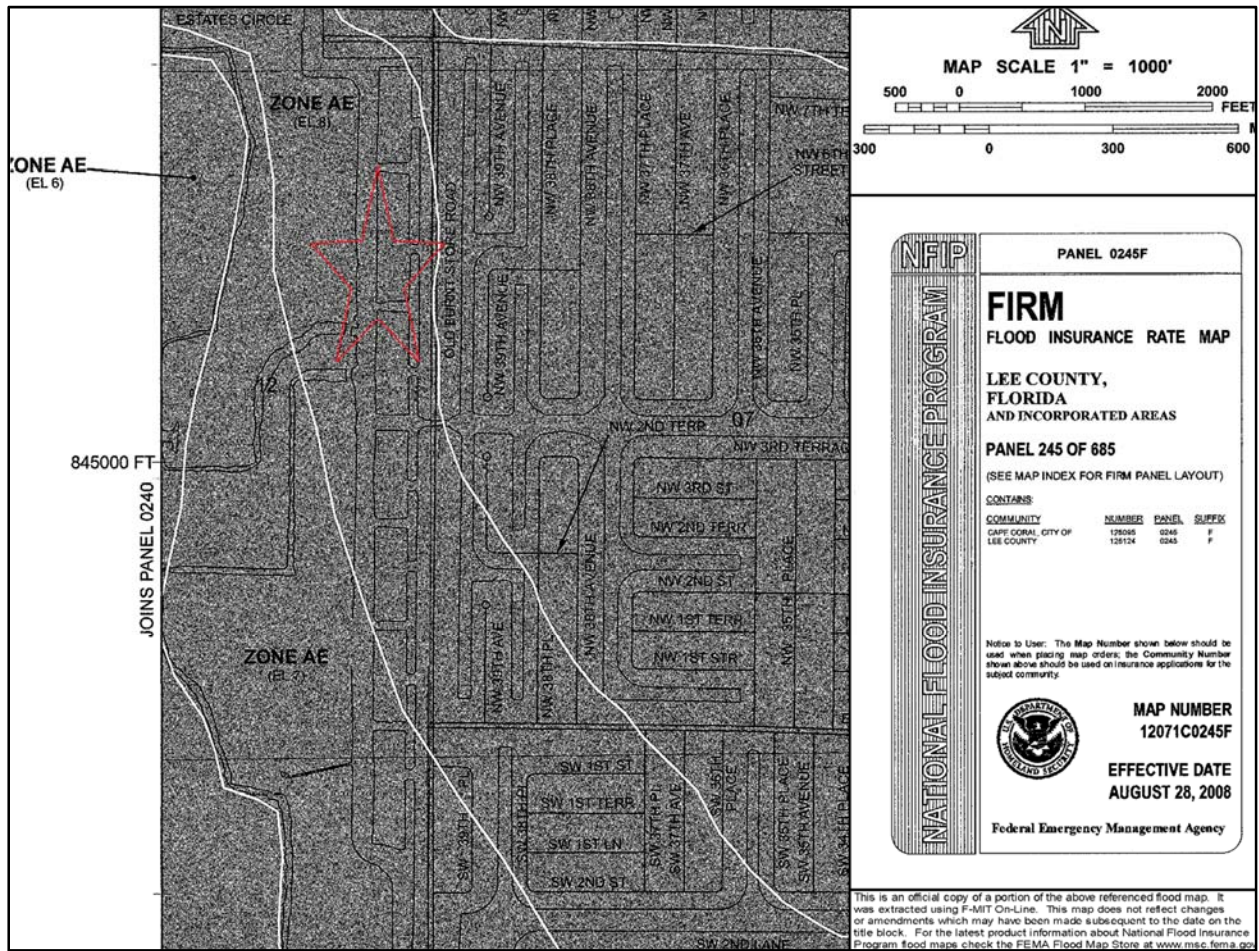


AERIAL MAP





FLOOD MAP





LEGAL DESCRIPTION

A Portion of The Islands (CC-17-0022)

Parcels of land lying in Sections 12 and 13, Section 44 South, Range 22 East, Lee County, Florida; and being more particularly described as follows:

- 1.) All of Lots 12 through 17, Block 6400;
- 2.) All of Tract "G" and all of Lots 1 through 5, Block 6401;
- 3.) All of Tract "F" and all of Lots 1 through 7, Block 6402;
- 4.) All of Tract "E" and all of Lots 1 through 4, Block 6403;
- 5.) All of Tract "D" and all of Lots 1 through 3, Block 6404;
- 6.) All of Tract "C" and all of Lots 1 and 2, Block 6405;
- 7.) All of Tract "B" and all of Lots 1 through 7, Block 6406;
- 8.) All of Tract "A" and all of Lots 1 through 8, Block 6407;
- 9.) All of Tract "I" and all of Lots 1 through 4, Block 6408;

All as shown on the Plat of Cape Coral, Unit 76, The Islands, recorded in Plat Book 35 at Pages 121 through 129 of the Public Records of Lee County, Florida.

Subject to Easements, Reservations and Restrictions of record.



PROPERTY PHOTOGRAPHS



TYPICAL VIEW LOOKING W'LY FROM OLD BURNT STORE ROAD N



TYPICAL ISLAND VIEW



TYPICAL ISLAND VIEW



SPREADER CANAL LOOKING S'LY



SPREADER CANAL LOOKING N'LY



TROPICANA PARKWAY WEST PARCEL LOOKING S'LY



SPREADER CANAL LOOKING S'LY (SEVEN ISLANDS TO THE LEFT)



OLD BURNT STORE ROAD NORTH LOOKING S'LY



OLD BURNT STORE ROAD NORTH LOOKING N'LY



TROPICANA PARKWAY WEST LOOKING E'LY



TROPICANA PARKWAY WEST LOOKING W'LY



VIEW OF DEVELOPMENT LOCATED IMMEDIATELY NORTH OF TROPICANA PARKWAY
WEST LOOKING W'LY



PROPERTY CHARACTERISTICS

ADDRESSES:	1 - 606 Old Burnt Store Road N, Cape Coral, Florida 33991 2 - 106 Old Burnt Store Road N, Cape Coral, Florida 33991 3 - 4100 Tropicana Parkway W, Cape Coral, Florida 33991
TAX IDs:	1 - 12-44-22-C2-00807.A000 2 - 13-44-22-C2-00801.G000 3 - 12-44-22-C2-00808.I000
LOCATION/ACCESS/ EXPOSURE:	<p>The property is located along the west side of Old Burnt Store Road North as well as the south side of Tropicana Parkway West. This places the property west of Burnt Store Road, north of SW Pine Island Road, and east of Matlacha Pass. Old Burnt Store Road North is a secondary collector traffic arterial, while Burnt Store Road and SW Pine Island Road are primary traffic arterials. Burnt Store Road connects Pine Island Road with Punta Gorda to the north as well as Veterans Parkway to the south. SW Pine Island Road connects Burnt Store Road with Pine Island to the west as well as the geographical center of the City of Cape Coral to the east. Further, the property is provided with direct (no bridge) boat access to Matlacha Pass via the spreader canalway system. Therefore, transportation and recreational access is considered to be relatively good, and development will have a very good view amenity over Matlacha Pass.</p>
SIZE (SITE AREA)/SHAPE:	<p>The three parcels combined currently contain 2,198,994 square feet, or 50.48 acres according to Cape Coral records. With the proposed island re-shaping via cut and fill (Hypothetical Condition), the parcels combined will contain 2,164,061 square feet, or 49.68 acres. The two Old Burnt Store Road North parcels are irregular in shape and essentially consist of seven islands connected to Old Burnt Store Road North via land bridges. The Tropicana Parkway West parcel is rectangular in shape.</p> <p>This information is based upon public records. This appraisal assumes that the site area is accurate and, should they be found to be inaccurate, the right to amend this appraisal is reserved.</p>
PHYSICAL FEATURES (TOPOGRAPHY, ELEVATION, ETC.):	<p>The subject property is mostly cleared. Drainage on the subject property, as well as in other surrounding areas, appears to be adequate and is primarily serviced by the canalway system.</p>



UTILITIES:	<p>Utilities currently available to the subject property consist of electricity provided by the Lee County Electric Cooperative and telephone service as provided by CenturyLink. Based upon the previously-discussed Hypothetical Conditions, this appraisal assumes that full water and sewer is currently available to the subject property. It should be noted the subject property lies within the North 2 Utility Expansion area, and the expansion of said utilities is expected to begin by the end of 2017. Finally, based upon the information illustrated in the Addenda section of this report, a potential buyer of the subject property would be responsible for a total utilities payoff of \$2,810,000.</p>
FLOOD ZONE:	<p>The subject property is located within Flood Hazard Zones AE-7 and AE-8 according to Federal Emergency Management Agency (FEMA) Flood Map Panel ID #12071C0245F dated 28 August 2008. Typically, improved properties located within this zone are required to purchase flood insurance under most financing situations. This property is not located in a FEMA FIRM Floodway.</p>
EASEMENTS, ENCROACHMENTS, ETC.:	<p>Other than noted below, there are no known leases, reservations, covenants, contracts, declarations, special assessments, easements or encroachments affecting the subject property. There is a 15" underground storm pipe crossing the Tropicana West parcel. This does not, in our opinion, represent a negative situation. However, there is a bald eagle nesting area located on the middle of the three islands associated with the 606 Old Burnt Store Road North parcel. For any type of future development, a bald eagle management plan needs to be created. Essentially, no heavy construction is allowed within 1,100' of a bald eagle nest during the nesting period from 1 October through 15 May. The exception to this is that, if construction is begun and is substantially complete prior to nesting season, the owner may be permitted to perform light construction activities if approved by the City and the commission. The following is a link to the Cape Coral Bald Eagle ordinance:</p> <p>http://www.capecoral.net/department/community_development/environmental/docs/City_of_Cape_Coral_s_Bald_Eagle_Ordinance.pdf</p>



ASSESSED VALUE, TAXES, AND ASSESSMENTS:	Tax ID 12-44-22-C2-00807.A000		
	2017	\$4,692,400	\$4,190,959
	2016	\$4,692,400	\$3,809,963
	Tax ID 13-44-22-C2-00801.G000		
	2017	\$5,687,300	\$4,927,371
	2016	\$5,687,300	\$4,479,428
	Tax ID 124422C200808I000		
	2017	\$508,000	\$508,000
	2016	\$508,000	\$506,224
		<p>Since the subject property is currently owned by the City of Cape Coral, it is wholly exempt from paying real estate taxes. However, upon transfer of ownership (inherent within the concept of market value), the assessment caps would be eliminated. For the 2016 tax year, the assessed value was \$10,887,700 and, utilizing the applicable millage rate, the taxes would be \$242,237.</p>	
ZONING:	<p>Currently, the subject property is zoned a combination of R-1A, R-1B, and RD under the zoning ordinances of the City of Cape Coral. However, based upon our conversation with Mr. Wyatt Daltry, the subject property is being appraised under the Hypothetical Condition that it is zoned Seven Islands District under the D-1 Concept Plan. Under said Concept plan, the property is hypothetically zoned for 890 multi-family residential units, 34 townhomes, 71 fish houses (total of 995 residential units), a 240 room hotel/resort incorporating 25,000 square feet of meeting space, 45,000 square feet of commercial building, a 40,000 square foot community center, a park, and a 280 slip public marina with launch facilities. Further information regarding the D-1 concept plan may be found at:</p> <p>http://cms4.revize.com/revize/capecoral/7%20Islands%20Vision%20Plan-WEB.pdf</p>		
FUTURE LAND USE:	<p>The subject property has current Future Land Use designations of SM (Single/Multi-family residential) and Park under the Cape Coral Future Land Use Plan. However, the property is being appraised under the Hypothetical Condition that it has a Mixed Use Future Land Use Plan designation that would be consistent with the D-1 Concept Plan.</p>		



SEC. V: HIGHEST & BEST USE ANALYSIS

Real estate is valued in terms of its highest and best use. Highest and best use is the use which would be the most profitable and likely use of a property. It may also be defined as that available use and program of future utilization which produces the highest present land value. Highest and best use is defined by The Dictionary of Real Estate Appraisal, 6th Edition, as:

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

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

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

PRESENT USE

The subject property currently exists as vacant land.

HIGHEST AND BEST USE AS VACANT

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

Legally Permissible

Within this community, the future land use categories are broad indicators of growth potential such as raw residential density and service provision, while the zoning designation controls specific allowable development. The property is appraised as *hypothetically* zoned Seven Islands District under the zoning ordinances of the City of Cape Coral and is designated Mixed Use under the Cape Coral Future Land Use Plan. Hypothetically, said zoning regulations will allow for development based upon the D-1 Concept Plan as discussed previously. Said plan allows for the development of 995 residential units, a 240 room hotel/resort, 45,000 square feet of commercial building, a 40,000 square foot community center and a 280 slip public marina with boat launch facilities. Further, there are no known private deed restrictions, historic district controls, environmental regulations (other than the aforementioned bald eagle nesting area), or building codes which would further restrict the legally permissible uses allowed.



Physically Possible

Various physical factors have an effect on the uses to which a property may be developed. These factors may include size, shape, topography, and soil conditions. The size and terrain of the subject property are conducive for development. The utilities available to the subject site are *hypothetically* adequate for the legally permissible uses. The overall site area is sufficient to allow development based upon the D-1 Concept Plan. The physical aspects of the property do not impose apparent limitations on development.

Financially Feasible

Under the Cape Coral Northwest Cape and Seven Islands Vision Plan dated 31 October 2016, the Northwest Cape study area comprises approximately 20.75 square miles of the roughly 114 square miles contained within the City. The 2015 estimated study area population was 9,455 inhabitants and 3,348 households. The area is generally characterized as low density residential with the exception of the commercial activity centers located along Burnt Store Road. The Seven Islands District is located west of Old Burnt Store Road, south of Tropicana Parkway and generally north of Ceitus Parkway. There are 18,173 tax property parcels within the Northwest Cape study area, of which roughly 32% are improved. Of the total, 4,193 are “saltwater parcels west of Burnt Store Road.” The Seven Islands District neighborhood has the largest number of improved parcels (approximately 41% of the 2,960 parcels). Further, the highest improved assessed values within the Northwest Cape project study area are located west of Old Burnt Store Road North due to the fact that there is a substantial value difference between “sailboat access” and “non-sailboat access” properties.

While the subject property lies within an immediate area that is somewhat sparsely developed at the present time in comparison with the balance of the City of Cape Coral, especially with respect to high-density residential and commercial uses, the “islands” configuration of the property is quite unique. Further, according to a very recent ranking compiled by WalletHub.com, Cape Coral ranks 15th on the list of “fastest growing cities” in the nation. Additionally, there are two larger developments located within Cape Coral to analyze with respect to financial feasibility.

First, the +/- 250 acre Cape Harbour development located at the southern terminus of Chiquita Boulevard was purchased in 1999 and new construction began in 2000. At that time, this project was located further away from the primary then-existing development. This waterfront community encompasses 550 residential units of varying types, four restaurants, nine office/retail spaces and a 94 slip marina along with dry boat storage facilities. This project was completely sold-out from the developer in 2007.

Second, the +/- 148 acre Tarpon Point development located just to the east of Cape Harbour was purchased in 1999 and new construction began in 2002. At that time, this project was located further away from the primary then-existing development. This waterfront community encompasses 377 residential units of varying types, two restaurants, 38,590 square feet of office/retail space, a five-story parking garage incorporating meeting rooms to accommodate 184 persons, a 42,000 square foot conference center (to be completed January 2018), and a 175 slip marina incorporating a ship’s store, captain’s lounge and harbor master building. This project was completely sold-out from the developer in 2016.

Additionally, we have analyzed lot sales within the West Cape Estates gated community located immediately north of the subject property (see previous photograph). Comparing the October 2012 sale of a direct access homesite for \$138,500 with the July 2013 sale of two lakefront homesites for \$45,000 each indicates that direct-access lots enjoy a significant premium over non-direct lots. This is important in this analysis due to the substantial amount of waterfrontage associated with the subject property.

Including the city areas north of Veterans Parkway and west of Santa Barbara Boulevard, the potential Northwest Cape and Seven Islands District total market area had a 2010 population of 40,793, expected to rise to 50,695 in 2020 (excluding consideration of the proposed D-1 Concept Plan for the subject property). Due to an ever-expanding population base as well as to the very unique “island” configuration of the subject property, a mixed use partially self-contained community development similar to the Cape Harbour and Tarpon Point projects located in South Cape Coral appears to be the most financially feasible use.



Maximally Productive

The maximally productive use is that development option which will return the greatest profit to the eventual developer. In more urban settings, this development option may be very specific and obvious, while in more suburban settings, with lower ratios of existing build-out, these options may be more general and broad. In the case of the subject property, which is located in a suburban environment, the financially feasible uses are considered equally productive options. The potential for development current exists and, therefore, the highest and best use of the subject site as vacant is for its proposed mixed use development.



SEC. VI: VALUATION OF SUBJECT PROPERTY

THE APPRAISAL PROCESS

There are three standard approaches to property valuation:

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

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

Cost Approach to Value

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

Sales Comparison Approach to Value

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

Income Approach to Value

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

Approaches Developed

Due to the fact that the subject property exists as vacant land, we have utilized the Sales Comparison Approach exclusively in estimating market value.



THE SALES COMPARISON APPROACH TO VALUE

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

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

The steps in the Sales Comparison Approach are:

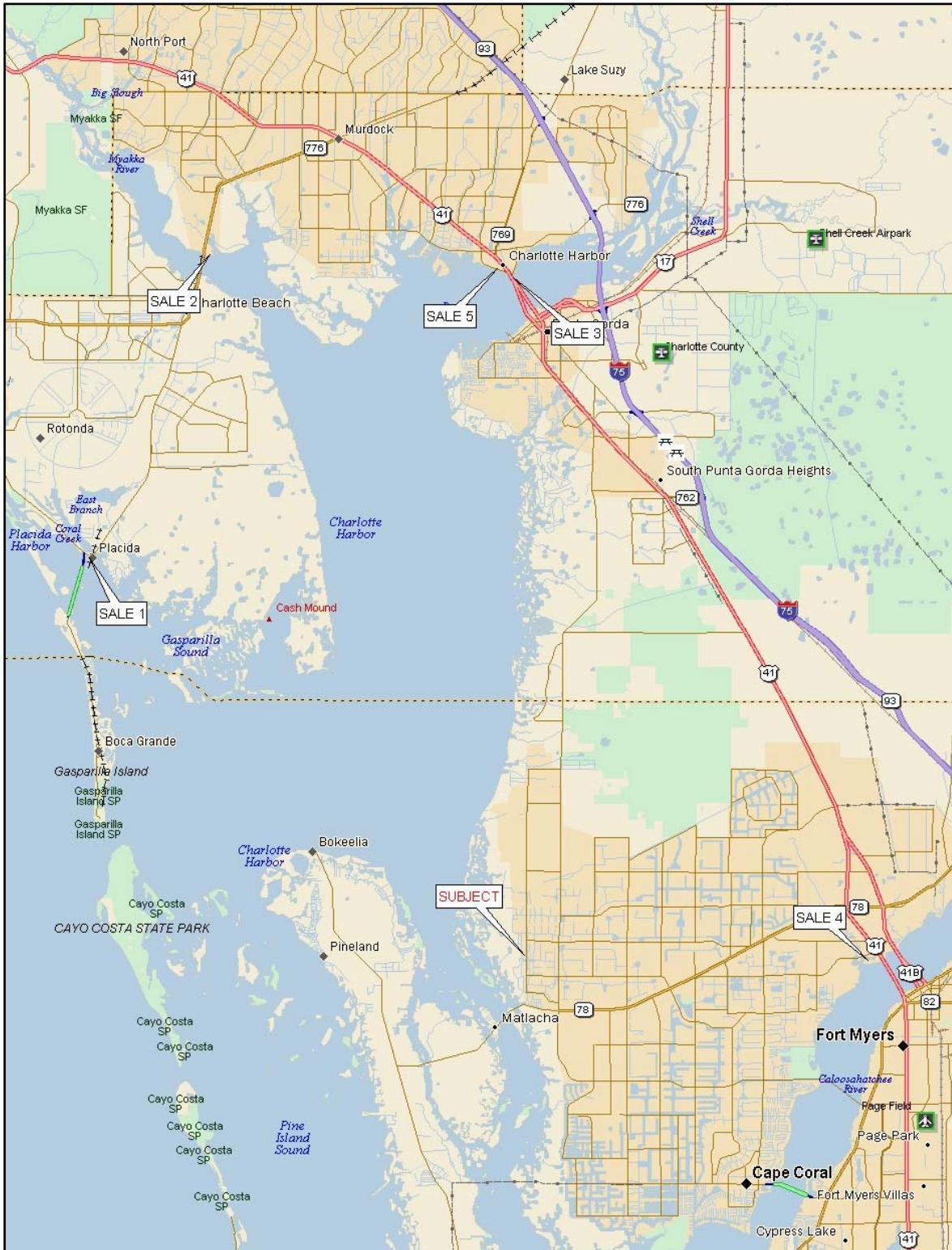
1. Seek out similar properties for which pertinent sales and data are available.
2. Qualify the prices as to terms, motivating forces, and bona fide nature.
3. Compare each of the comparable properties' important attributes with the corresponding ones of the property being appraised under the general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

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

In developing an opinion of value for the subject property via the Sales Comparison Approach, we have analyzed the following comparable sales:



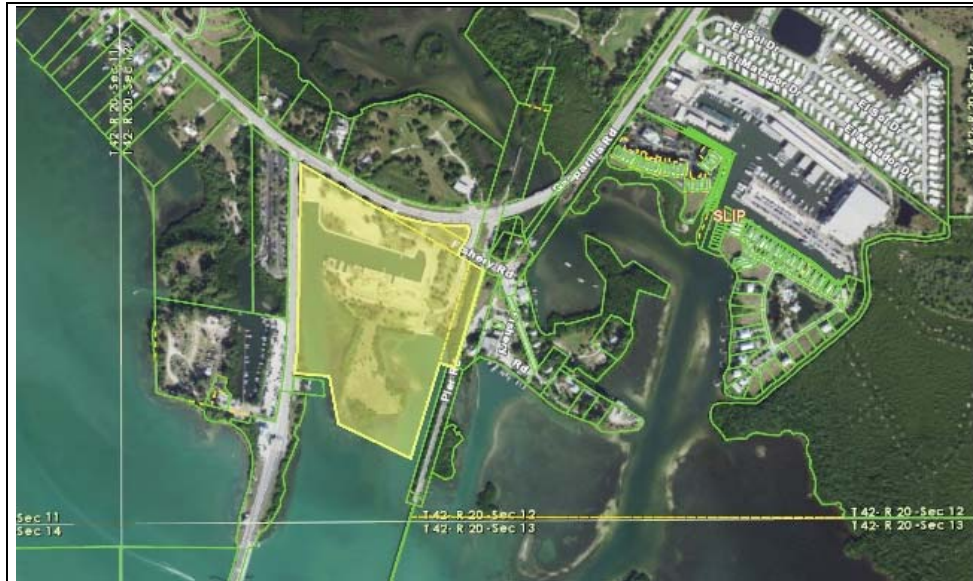
COMPARABLE LAND SALES MAP





COMPARABLE LAND SALE 1

3047



DATE OF SALE: January 29, 2016

ADDRESS: 14050 Gasparilla Road

SALE PRICE: \$20,600,000

STRAP #: 422012376001

SALE PRICE (ADJUSTED): \$20,600,000

SALE CONDITIONS: Arm's Length

RECORDING: 4051/1801

UTILITIES: Full

GRANTOR: Boca Norte, LLC

ZONING: IG

GRANTEE: Gasparilla Island Conservation and Improvement Association, Inc.

LAND USE: High Intensity Industrial, Low Density Residential

FINANCING: Cash to seller

SALE HISTORY: None in previous 5 years

TOPOGRAPHY: Level

ACCESS: Direct/Intersection

VERIFICATION: Mark Mizell

HIGHEST AND BEST USE: Mixed Use

SITE AREA: 1,284,149 Square Feet
29.480 Acres

UNIT OF VALUE: \$16.04 Per SF
\$698,779 per AC

COMMENTS: This is the sale of the former Brunswick Corporation Marine facility located at the corner of Gasparilla Road and Boca Grande Causeway and directly on Gasparilla Sound in Placida. The property contains 29.48 acres of which 15.48 acres was uplands and the remainder was submerged lands. The property contains a conference center as well as several other structures. All of the improvements were demolished after the sale. The buyer planned to make the property a park for public use.



COMPARABLE LAND SALE 2

3052



DATE OF SALE: August 26, 2016

SALE PRICE: \$1,670,000

SALE PRICE (ADJUSTED): \$1,670,000

RECORDING: 4117/127

GRANTOR: Heritage of Sarasota, Inc. and Robert W Martel

GRANTEE: Lion Pride LLC

FINANCING: Cash to the seller

TOPOGRAPHY: Level

VERIFICATION: Contract verification

SITE AREA: 159,865 Square Feet
3.670 Acres

ALLOWABLE UNITS: 45

ADDRESS: Schofield Road

STRAP #: 40212847800, et al

SALE CONDITIONS: Arm's Length

UTILITIES: Full

ZONING: RMF

LAND USE: High Density Residential

SALE HISTORY: None in previous 5 years

ACCESS: Direct

HIGHEST AND BEST USE: Multi-family

UNIT OF VALUE: \$10.45 Per SF
\$455,041 per AC
\$37,111 Per Unit

COMMENTS: This is the sale of a small multi-family site in El Jobean along Charlotte Harbor. The site included land along the south side of Schofield Road, along Charlotte Harbor, and 8 residential lots along the north side of Schofield Road. The total density included in the sale was 45 units; of which 40 units were included with the land, and the remaining 5 units were TDU's provided by the seller at the time of sale. The maximum allowable by density is 49 units; however, to accomplish the maximum density, additional TDU's would have to be purchased. The buyer purchased intending on developing a small, heavily amenitized multi-family development with "Key West" architecture and units facing the harbor on the south site and amenities on the north site.



COMPARABLE LAND SALE 3

3051



DATE OF SALE: September 20, 2016

SALE PRICE: \$4,500,000

SALE PRICE (ADJUSTED): \$4,500,000

RECORDING: 4123/1733

GRANTOR: WCU Holdings, LLC and John D Gentis

GRANTEE: Charlotte County

FINANCING: Cash to seller

TOPOGRAPHY: Level

VERIFICATION: Stephen Kipa (rep of Charlotte County Real Estate Services)

SITE AREA: 156,816 Square Feet
3.600 Acres

ALLOWABLE UNITS: 95

ADDRESS: 5000-5054 Tamiami Trail

STRAP #: 402236255002

SALE CONDITIONS: Arm's Length

UTILITIES: Full

ZONING: CHRW

LAND USE: Charlotte Harbor Mixed Use

SALE HISTORY: None in previous 3 years

ACCESS: Direct (Intersection)

HIGHEST AND BEST USE: Mixed Use

UNIT OF VALUE: \$28.70 Per SF
\$1,250,000 per AC
\$47,368 Per Unit

COMMENTS: The property is located at the southeast corner of Tamiami Trail and Melbourne Street with direct frontage on the Peace River in Port Charlotte. The property was actively marketed but the listing had expired at the time of sale. The redevelopment plan allowed for up to 87 residential units with 47,880 square feet of commercial uses or 95 residential units with no commercial uses. The buyer purchased the property to expand the river walk along the Peace River.



COMPARABLE LAND SALE 4

3049



DATE OF SALE: December 02, 2016

ADDRESS: 3461 North Key Drive

SALE PRICE: \$7,000,000

STRAP #: 11-44-24-10-0030C.0000; 10-44-24-10-0030C.0000

SALE PRICE (ADJUSTED): \$7,000,000

SALE CONDITIONS: Arm's Length

RECORDING: 2016000256413

UTILITIES: Full

GRANTOR: Douglas Rodante Realty LLC

ZONING: CT (Commercial Tourist)

GRANTEE: Coastal Living Villas, Inc.

LAND USE: Intensive Development & Wetlands

FINANCING: Conventional financing

SALE HISTORY: None in the last three years

TOPOGRAPHY: Level

ACCESS: Direct

VERIFICATION: Stephen A. Cunningham, LandQwest

HIGHEST AND BEST USE: Mixed-Use

SITE AREA: 657,660 Square Feet
15.098 Acres

UNIT OF VALUE: \$10.64 Per SF
\$463,644 per AC

ALLOWABLE UNITS: 250

\$28,000 Per Unit

COMMENTS: This is the sale of a vacant 15.25 acre parcel, located on North Key Drive, which runs west off of North Cleveland Avenue in North Fort Myers. This property has frontage along the Caloosahatchee, as well as Hancock Creek and a private boat basin. The location on the river allows for an expansive southerly view. According to the broker, the property has the potential for 250 residential units and 74 boat slips, per previous plans. There are 34 existing finger piers in place.



COMPARABLE LAND SALE 5

3058



DATE OF SALE: August 18, 2017

SALE PRICE: \$12,450,000

SALE PRICE (ADJUSTED): \$12,450,000

RECORDING: Multiple

GRANTOR: Multiple

GRANTEE: Point Charlotte, LLC and Charlotte Point Properties, LLC

FINANCING: Cash

TOPOGRAPHY: Partially cleared, Level

VERIFICATION: Third Party

SITE AREA: 479,160 Square Feet
11.000 Acres

ADDRESS: Bayshore Road

STRAP #: 402236129001, et al

SALE CONDITIONS: Arm's Length

UTILITIES: Full

ZONING: CHRW (Charlotte Harbor Riverwalk)

LAND USE: Charlotte Harbor Mixed Use

SALE HISTORY: None in previous 3 years

ACCESS: Direct

HIGHEST AND BEST USE: Mixed Use Development

UNIT OF VALUE: \$25.98 Per SF
\$1,131,818 per AC



COMMENTS: The property is located at the southwest quadrant of Tamiami Trail and Bayshore Road directly on the Peace River in Port Charlotte. This is the purchase of several properties by a development corporation that plans to construct a beachfront resort on 22 acres known as "Sunseeker Resort." The development will include a resort hotel (75 rooms), 9 condominium tower buildings (720 units), a restaurant, bar, shopping center and a private marina. This sale includes the purchase of 13 parcels totaling 11 acres in 8 separate transactions.

The 13 parcels are as follows:

402236129001
402236129002
402236129003
402236135001
402236135002
402236135003
402236207001
402236251002
402236127001
402236127002
402236130001
402236130002
402236131001



Comparable Land Sales Chart

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

	Subject	Comparable No. 1	Comparable No. 2	Comparable No. 3	Comparable No. 4	Comparable No. 5
Transaction Data:						
Date of Sale:		Jan-16	Aug-16	Sep-16	Dec-16	Aug-17
Sale/Listing Price:		\$20,600,000	\$1,670,000	\$4,500,000	\$7,000,000	\$12,450,000
Sale/Listing Price (Adjusted):		\$20,600,000	\$1,670,000	\$4,500,000	\$7,000,000	\$12,450,000
Physical Data:						
Street Address:	"Seven Islands"	14050 Gasparilla Road	Schofield Road	5000-54 Tamiami Trail	3461 North Key Drive	Bayshore Road
City:	Cape Coral	Placida	El Jobean	Port Charlotte	N. Fort Myers	Port Charlotte
Site Area (sq.ft.):	2,164,061	1,284,149	159,865	156,816	657,660	479,160
Site Area (acres):	49.68	29.48	3.67	3.60	15.10	11.00
Topography:	Level	Level	Level	Level	Level	Level
Shape:	Irregular	Irregular	Irregular	Irregular	Irregular	Irregular
Utilities:	Full (assumed)	Full	Full	Full	Full	Full
Use Data:						
Zoning:	RD	IG	RMF	CHRW	CT	CHRW
Land Use:	SM	Industrial/Residential	High Density Residential	Charlotte Harbor Mixed Use	Intensive Development	Charlotte Harbor Mixed Use
Highest and Best Use:	Mixed-Use	Mixed Use	Multi-Family	Mixed Use	Mixed Use	Mixed Use
Sales Price Analysis:						
Price per Square Foot (Site):		\$16.04	\$10.45	\$28.70	\$10.64	\$25.98
Quantitative Adjustments:						
Financing Terms:		0.0%	0.0%	0.0%	0.0%	0.0%
(Per Square Foot):		\$16.04	\$10.45	\$28.70	\$10.64	\$25.98
Conditions of Sale:		0.0%	0.0%	0.0%	0.0%	0.0%
(Per Square Foot):		\$16.04	\$10.45	\$28.70	\$10.64	\$25.98
Expenditures After Purchase:		0.0%	0.0%	0.0%	0.0%	0.0%
(Per Square Foot):		\$16.04	\$10.45	\$28.70	\$10.64	\$25.98
Market Conditions (time):		5.3%	3.5%	3.3%	2.5%	0.5%
(Adjusted Price per SF):		\$16.88	\$10.81	\$29.63	\$10.91	\$26.11
Qualitative Adjustments:						
Location:		-10%	-10%	-25%	0%	-25%
Exposure (Roadway):		-10%	0%	-20%	20%	-20%
Access:		0%	0%	0%	0%	0%
Size (Site Area):		0%	-10%	-10%	0%	0%
Topography:		0%	0%	0%	0%	0%
Shape:		0%	40%	0%	0%	0%
Utilities:		0%	0%	0%	0%	0%
Zoning/Land Use:		0%	0%	0%	0%	0%
Net Adjustments		-20%	20%	-55%	20%	-45%
Adjusted Price		\$13.51	\$12.97	\$13.33	\$13.09	\$14.36

Description of Sales

Sale 1 is the January 2016 sale of a 29.48 acre mixed use parcel located at 14050 Gasparilla Road in Placida. This property sold for \$20,600,000, or \$16.04 per square foot. This sale required an upward market conditions adjustment of 5.3% to account for increasing values in the marketplace, resulting in a transactionally-adjusted price of \$16.88 per square foot. It also required downward adjustments for location and roadway exposure. The final adjusted value indication is \$13.51 per square foot.

Sale 2 is the August 2016 sale of a 3.67 acre parcel located along Schofield Road in El Jobean. This property sold for \$1,670,000, or \$10.45 per square foot. This sale required an upward market conditions adjustment of 3.5% to account for increasing values in the marketplace, resulting in a transactionally-adjusted price of \$10.81 per square foot. It also required an upward adjustment for shape as well as downward adjustments for location (superior bay view) and size. The final adjusted value indication is \$12.97 per square foot.

Sale 3 is the September 2016 sale of a 3.60 acre parcel located at 5000-54 Tamiami Trail in Port Charlotte. This property sold for \$4,500,000, or \$28.70 per square foot. This sale required an upward market conditions adjustment of 3.3% to account for increasing values in the marketplace, resulting in a transactionally-adjusted price of \$29.63 per square foot. It also required downward adjustments for location on Charlotte Harbor, roadway exposure to US 41 and size. The final adjusted value indication is \$13.33 per square foot.

Sale 4 is the December 2016 sale of a 15.10 acre parcel located at 3461 North Key Drive in North Fort Myers. This property sold for \$7,000,000, or \$10.64 per square foot. This sale required an upward market conditions adjustment of 2.5% to account for increasing values in the marketplace, resulting in a transactionally-adjusted



price of \$10.91 per square foot. It also required an upward adjustment for inferior roadway exposure. The final adjusted value indication is \$13.09 per square foot.

Sale 5 is the August 2017 sale of an 11.0 acre parcel located along Bayshore Road in Port Charlotte. This property is the first part of a larger assemblage and sold for \$12,450,000, or \$25.98 per square foot. This sale required an upward market conditions adjustment of 0.5% to account for increasing values in the marketplace, resulting in a transactionally-adjusted price of \$26.11 per square foot. It also required downward adjustments for location on Charlotte Harbor and roadway exposure to US 41. The final adjusted value indication is \$14.36 per square foot.

Adjustments to Comparable Data

The Sales Comparison Approach is dependent on "...adjustments to the sale prices of the comparables based on the elements of comparison." The Appraisal Institute outlines ten basic elements of comparison to be considered:

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

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

Transactional Adjustments

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

In considering Changes in Market Conditions since the time of sale, we must consider the significant changes in the Southwest Florida real estate market. The property value trend found throughout Southwest Florida changed drastically over the last decade, with substantial increases during the period of 2002-2005, followed by equally substantial declines during the period of 2006-2009 and this declining trend reversed in 2012. Based upon our paired sales analyses of properties sale/re-sales in the region, the comparable sales have been conservatively adjusted at 0.25% per month for market conditions.

Physical Adjustments

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

- Location: Location refers to the economic attributes of the surrounding market area. These attributes affect the financially feasible uses of the site. Sale 4 is most similar to the subject property with respect to this factor, providing and adjusted unit value of \$13.09 per square foot.
- Exposure (Roadway Frontage): This refers to the exposure to the fronting thoroughfare (i.e. - capacity/traffic count). Sale 2 is most similar to the subject property with respect to this factor, providing an adjusted unit value of \$12.97 per square foot.



- **Access:** This refers to the accessibility of a property (i.e. – frontage road vs. direct frontage, existence of median cuts, etc.). No adjustments for this factor are warranted.
- **Size (Site Area):** Larger parcels often sell for a lower price per unit, while smaller parcels typically sell for a higher price per unit. This attribute affects the physically possible uses of the site. Sales 1, 4 and 5 are most similar to the subject property with respect to this factor, providing an average adjusted unit value of \$13.65 per square foot.
- **Topography:** This refers to the physical condition of the property, such as if the property is cleared or if there are significant changes in elevation. No adjustments for this factor are warranted.
- **Shape:** This refers to the shape or orientation of the property which might impact the development potential of a property. For example, a property which is a long, but relatively thin, rectangle may have difficulty being developed due to setback requirements. Although the subject “islands” configuration is irregular, it provides additional waterfrontage and a positive view amenity. Sale 2 is least similar to the subject with respect to this factor because it is bisected by a roadway, the remaining sales providing an adjusted unit value of \$13.57 per square foot.
- **Utilities:** The presence or absence of certain utilities can severely impact the physically possible uses of a site, the second test in the analysis of Highest and Best Use (i.e. - the absence of central sewer may prevent intensive development). No adjustments for this factor are warranted based upon the previously-discussed Hypothetical Conditions wherein it is assumed that full utilities are currently available to the subject site. A line-item deduction will be made for the cost of utilities payoffs.
- **Zoning/Future Land Use:** Zoning and Future Land Use directly determine the legally permissible uses of a site, the first test in the analysis of Highest and Best Use. No adjustments for this factor are warranted based upon the previously-discussed Hypothetical Conditions.

Value Conclusion

These comparable sales range in adjusted price as shown below:

Descriptive Statistics:	
Multiplier:	*Price per SF:
Mean:	\$13.45
Median:	\$13.33
Standard Deviation:	\$0.55
Minimum:	\$12.97
Maximum:	\$14.36
Range:	\$1.39
* Based on adjusted price	

Considering all of the sales presented and their relative inferiority/superiority to the subject property, it is our opinion that the value of the subject site based upon the previously discussed Hypothetical Conditions, prior to consideration of utilities payoffs, is \$13.00 per square foot, or \$28,130,000 in round figures. From this, we have subtracted the utilities payoffs of \$2,810,000 (rounded). As illustrated below, this provides a hypothetical market value for the subject property of \$25,320,000:

Site Area (sf)	Value per Sq. Ft.	Opinion of Value	Rounded to
2,164,061	\$13.00	\$28,132,793	\$28,130,000
Less Utilities Payoffs			2,810,000
"As-Is" Market Value			\$25,320,000



SEC. VII: RECONCILIATION OF OPINIONS OF VALUE

Cost Approach to Value	N/A
Sales Comparison Approach to Value	\$25,320,000
Income Approach to Value	N/A

The Sales Comparison Approach references sales of similar properties located in competitive areas in the researched subject market area. Since properties of identical characteristics are uncommon, any reliance placed on the Sales Comparison Approach could be lessened due to required adjustments to the comparable sales. However, the range of value indicated by the sales after adjustments was considered a reliable indicator of value for the subject property due to the nature of the market.

Based upon the results of the analyses and data contained in the report, including any Extraordinary Assumptions and Hypothetical Conditions outlined in the Addenda, and our experience in the real estate appraisal profession, it is our opinion that the fee simple market value of the subject property based upon the previously discussed Hypothetical Conditions, as of 3 October 2017, is

TWENTY FIVE MILLION THREE HUNDRED TWENTY THOUSAND DOLLARS - \$25,320,000

This value is contingent upon the certification and the assumptions and conditions of this appraisal, if any.

CONTRACTS, LISTINGS & SALES HISTORY

According to the public records, there have been no qualified sales of the subject property in the previous three years. There are no current listings for sale.



ESTIMATION OF MARKETING TIME

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

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

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

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

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

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

Based upon the analysis and conclusions developed in the appraisal, the marketing time for the subject property is estimated to be 6 to 12 months.

ESTIMATION OF EXPOSURE TIME

Inherent in an opinion of market value is the development of an estimate of exposure time for the subject property. Exposure time is defined by the Uniform Standards of Professional Appraisal Practice (USPAP), 2016/17 Ed., as follows:

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

Based upon the analysis and conclusions developed in the appraisal, the exposure time for the subject property is estimated to be 6 to 12 months.



SEC. VIII: CERTIFICATION

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- We have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment. This report represents a second version of the assignment clarifying statements in the appraisal.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with *Uniform Standards of Professional Appraisal Practice*.
- We have made a personal inspection of the property that is the subject of this report. For this analysis, Bruce A. Stephan, MAI conducted an exterior inspection of the subject property on 29 August 2017. Gerald A. Hendry, MAI, CCIM also conducted a subsequent exterior inspection.
- No one provided significant real property appraisal assistance to the person(s) signing this certification.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the State of Florida relating to review by its duly authorized representatives. This report also conforms to the requirements of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA).
- We are currently licensed to conduct appraisal activities and have completed the continuing education requirements set forth with the State of Florida.



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

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

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


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

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



SEC. IX: ADDENDA

UTILITY PAYOFFS



PAYOFF INFORMATION REQUEST FORM

REMIT PAYMENT TO City of Cape Coral P.O. Box 150006 Cape Coral, FL 33915-0006	Contact Information Customer Billing Services.....239-574-7722 Code Compliance.....239-574-0613 Building Permits.....239-574-0546 Utility Expansion Connection.....239-242-3853
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Requestor Information
 Date of request: 9/22/2017 11:45:26 AM
 Company: CITY OF CAPE CORAL
 Email: dsayers@capecoral.net
 Phone: 2395740714
 Memo:

Completed Date: 9/22/2017
Attention: DOUG
Closing Date: 9/22/2017
Fax:

Property Information

STRAP: 124422C200807A000
 SITE ADDRESS: 606 OLD BURNT STORE RD N
 LEGAL DESCRIPTION: CAPE CORAL U76 THE ISLANDS BLK 6405 TR C LOTS 1 + 2 BLK 6406 TR B LOTS 1 THRU 7 BLK 6407 TR A LOTS 1 THRU 8 BLK 6408 LOTS 1 THRU 4 PB 35 PGS 127 128 + 129
 WATER: DN2WY
 SEWER: DN2SY
 IRRIGATION: DN2IY

Account Name	Payoff Information		Payoff	Good Thru
	Max Inst Amt	Current Amount		
N2 Capital Facility Expansion Charge Irrigation	\$475.00		\$1,854.40	7/31/2018
N2 Capital Facility Expansion Charge Sewer	\$636.00		\$2,489.60	7/31/2018
N2 Capital Facility Expansion Charge Water	\$272.00		\$1,056.00	7/31/2018
North 2 Irrigation	\$19,984.58		\$205,965.48	9/30/2017
North 2 Wastewater	\$67,220.86		\$713,038.34	9/30/2017
North 2 Water	\$27,729.80		\$288,868.02	9/30/2017

Additional Payoff Information

Building restriction - Storm pipe in easement - Contact PW 574-0798
 Eagle Nest - Questions Contact Florida Fish & Wildlife 863-648-3200
 North 2 Utility - Construction expected 2017-2018 - Tax roll installment expected 2018

*Florida Statute 159.17 provides the authority for the City of Cape Coral to lien property or premises for utility water, sewer and irrigation charges until paid. Such lien shall be superior to all other liens except state, county and municipal taxes.
 *All Assessment, CIAC, Impact, Lot Mowing, CFEC, Utility Bill, and Code Fees must be brought current on or before closing.
 *For Stormwater, Solid Waste, and/or Lot Mowing please refer to the property tax bill.
 **For tax-billed assessments, the current due is included with the current year's tax bill. The annual tax billed amount is payable in conjunction with the property tax bill to the Lee County Tax Collector and IS NOT INCLUDED IN THIS PAYOFF AMOUNT.
 *The City of Cape Coral makes every effort to ensure the accuracy of this information. By using this form, you agree there are no warranties, expressed or implied, provided for the data herein. Amounts are subject to change without notice. It is recommended that all payoff amounts be updated on the actual date of closing.



PAYOFF INFORMATION REQUEST FORM

**REMIT PAYMENT TO**

City of Cape Coral
P.O. Box 150006
Cape Coral, FL 33915-0006

Contact Information

Customer Billing Services.....239-574-7722
Code Compliance.....239-574-0613
Building Permits.....239-574-0546
Utility Expansion Connection.....239-242-3853

Date of request: 9/22/2017 11:46:23 AM
Company: City of Cape Coral
Email: dsayers@capecoral.net
Phone: 2395740714

Requestor Information

Completed Date: 9/22/2017
Attention: Doug
Closing Date: 9/22/2017
Fax:

Memo:

Property Information

STRAP: 134422C200801G000
SITE ADDRESS: 106 OLD BURNT STORE RD N
LEGAL DESCRIPTION: CAPE CORAL U76 THE ISLANDS BLK 6400 LOTS 12 THRU 17 BLK 6401 TR G LOTS 1 THRU 5 BLK 6402 TR F LOTS 1 THRU 7 BLK 6403 TR E LOTS 1 THRU 4 BLK 6404 TR D LOTS 1 THRU 3 PB 35 PG 125 126 + 127
WATER: DN2WY
SEWER: DN2SY

Payoff Information

Account Name	Payoff Information		Payoff	Good Thru
	Max Inst Amt	Current Amount		
N2 Capital Facility Expansion Charge Irrigation	\$475.00		\$1,854.40	7/31/2018
N2 Capital Facility Expansion Charge Sewer	\$636.00		\$2,489.60	7/31/2018
N2 Capital Facility Expansion Charge Water	\$272.00		\$1,056.00	7/31/2018
North 2 Irrigation	\$23,876.16		\$246,072.96	9/30/2017
North 2 Wastewater	\$80,310.72		\$851,887.68	9/30/2017
North 2 Water	\$33,129.60		\$345,119.04	9/30/2017

Additional Payoff Information

North 2 Utility - Construction expected 2017-2018 - Tax roll installment expected 2018
Building restriction - Storm pipe in easement - Contact PW 574-0798

- *Florida Statute 159.17 provides the authority for the City of Cape Coral to lien property or premises for utility water, sewer and irrigation charges until paid. Such lien shall be superior to all other liens except state, county and municipal taxes.
- *All Assessment, CIAC, Impact, Lot Mowing, CFEC, Utility Bill, and Code Fees must be brought current on or before closing.
- *For Stormwater, Solid Waste, and/or Lot Mowing please refer to the property tax bill.
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PAYOFF INFORMATION REQUEST FORM



REMIT PAYMENT TO

City of Cape Coral
P.O. Box 150006
Cape Coral, FL 33915-0006

Contact Information

Customer Billing Services.....239-574-7722
Code Compliance.....239-574-0613
Building Permits.....239-574-0546
Utility Expansion Connection.....239-242-3853

Date of request: 9/22/2017 11:47:18 AM
Company: City of Cape Coral
Email: dsayers@capecoral.net
Phone: 2395740714

Requestor Information

Completed Date: 9/22/2017
Attention: Doug
Closing Date: 9/22/2017
Fax:

Memo:

Property Information

STRAP: 124422C200808I000
SITE ADDRESS: 4100 TROPICANA PKWY W
LEGAL DESCRIPTION: CAPE CORAL U76 THE ISLANDS BLK 6408 PB 35 PG 129 TRACT I
WATER: DN2WY
SEWER: DN2SY
IRRIGATION: DN2IY

Payoff Information

Account Name	Payoff Information		Payoff	Good Thru
	Max Inst Amt	Current Amount		
N2 Capital Facility Expansion Charge Irrigation	\$475.00		\$1,854.40	7/31/2018
N2 Capital Facility Expansion Charge Sewer	\$636.00		\$2,489.60	7/31/2018
N2 Capital Facility Expansion Charge Water	\$272.00		\$1,056.00	7/31/2018
North 2 Irrigation	\$2,309.45		\$23,801.70	9/30/2017
North 2 Wastewater	\$7,768.15		\$82,399.85	9/30/2017
North 2 Water	\$3,204.50		\$33,382.05	9/30/2017

Additional Payoff Information

North 2 Utility - Construction expected 2017-2018 - Tax roll installment expected 2018
Building restriction - Storm pipe crossing property - Contact PW 574-0798

- *Florida Statute 159.17 provides the authority for the City of Cape Coral to lien property or premises for utility water, sewer and irrigation charges until paid. Such lien shall be superior to all other liens except state, county and municipal taxes.
- *All Assessment, CIAC, Impact, Lot Mowing, CFEC, Utility Bill, and Code Fees must be brought current on or before closing.
- *For Stormwater, Solid Waste, and/or Lot Mowing please refer to the property tax bill.
- **For tax-billed assessments, the current due is included with the current year's tax bill. The annual tax billed amount is payable in conjunction with the property tax bill to the Lee County Tax Collector and IS NOT INCLUDED IN THIS PAYOFF AMOUNT.
- *The City of Cape Coral makes every effort to ensure the accuracy of this information. By using this form, you agree there are no warranties, expressed or implied, provided for the data herein. Amounts are subject to change without notice. It is recommended that all payoff amounts be updated on the actual date of closing.



QUALIFICATIONS OF BRUCE A. STEPHAN, MAI

EDUCATIONAL BACKGROUND AND TRAINING:

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

Analyzing Operating Expenses – 2007

Appraising & Analyzing Office Buildings – 2010

The Discounted Cash Flow Model – 2011

Analyzing Tenant Credit Risk – 2011

Business Practices & Ethics – 2011

Critical Thinking in Appraising – 2014

The Sales Comparison Approach – 2016

Florida Appraisal Laws – 2016

National USPAP Course – 2016

Appraisal of Owner-Occupied Commercial Properties - 2016

EXPERIENCE:

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

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

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

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

Associate Appraiser with Powell, Totten & Boyd, Fort Myers, Florida, 1977 – 1980.

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

PROFESSIONAL AFFILIATIONS:

Appraisal Institute - MAI

State-Certified General Real Estate Appraiser, RZ 327



State-Licensed Real Estate Broker, BK #357501

Real Estate Investment Society (Board of Governors)



RE-CERTIFICATION:

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

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



QUALIFICATIONS OF GERALD A. HENDRY, MAI, CCIM

EDUCATIONAL BACKGROUND AND TRAINING:

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

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

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

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

Real Estate Market Analysis, University of Florida, 1993.

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

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

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

Land Use Economics, University of Florida, 1995.

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

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

Comprehensive Appraisal Workshop, Dallas, Texas, August 2000.

"Appraising and Analysis of Proposed Subdivisions and Condominiums", seminar sponsored by The Appraisal Institute, Boca Raton, Florida, August 2002.

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

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

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

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

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

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



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

Subdivision Valuation, Appraisal Institute, September 2009.

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

EXPERIENCE:

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

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

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

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

PROFESSIONAL AFFILIATIONS:

Appraisal Institute - MAI

CCIM Institute - CCIM

State-Certified General Real Estate Appraiser, RZ 2245

State-Licensed Real Estate Broker, BK #0567939

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

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

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

Appraisal Institute - West Coast Florida Chapter President 2008

Commercial Investment Professionals (CIP) Member

OTHER:

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

Special Magistrate - Lee County Value Adjustment Board 2012-2014

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



RE-CERTIFICATION:



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

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

LICENSE NUMBER
RZ2245

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

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





ASSUMPTIONS

An Assumption is defined by the Uniform Standards of Appraisal Practice (USPAP), 2016/17 Ed., as

“that which is taken to be true”.

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

This appraisal is to be used in whole and not in part. This appraisal report has been prepared at a specified point in time as indicated by the date of valuation. Therefore, this report can neither be used prior to, or subsequent to, the effective appraisal date. Market values and conditions change significantly with the passage of time. This report cannot be viewed subsequent to the appraisal date and then reliance placed on values, opinions, and analysis made by the appraiser or other consultants in the report. The forecasts or projections included in this report are used to assist in the valuation process and are based on current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are therefore subject to changes in future conditions, which cannot be accurately predicted by the appraiser and could affect the future income and/or value forecasts.

No part of this report shall be used in conjunction with any other appraisal. The appraiser(s) herein, by reason of this report, is not required to give testimony or attendance in court or any governmental hearing with reference to the property appraised, unless arranged previously therefore. The consideration for the preparation of this appraisal report is the payment by the client of all charges due the appraiser in connection therewith. Any responsibility of the appraiser for any part of the report is conditioned upon full payment.

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

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

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

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

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



It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report and it is further assumed that all applicable zoning, land use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined and considered in the appraisal report.

This appraisal is subject to all growth management ordinances (i.e. concurrency) both local and state. The appraiser has relied upon representations made by the developer, client or authorities considered to be knowledgeable in this regard. A determination was not made by the appraiser as to the development potential for the property, unless otherwise stated.

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

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

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

This appraisal is subject to an exact determination of building square footage by a qualified architect or builder. This report is also subject to the receipt of all necessary building permits and approvals (where applicable) to allow for the construction of the project being appraised, if applicable.

EXTRAORDINARY ASSUMPTIONS / HYPOTHETICAL CONDITIONS

Please see the Scope of Work for further details.