

SUMMARY APPRAISAL OF

78.36± GROSS ACRES OF VACANT LAND  
PROPOSED TO BE DEVELOPED INTO A  
247 SINGLE-FAMILY LOT SUBDIVISION

TO BE KNOWN AS

BONNIE'S LANDING

LOCATED AT THE

SOUTHEAST QUADRANT OF 30<sup>TH</sup> STREET AND GRACE AVENUE  
IN THE CITY OF HAINES CITY, POLK COUNTY, FLORIDA 33844

PROJECT: # 10-000415-01

PREPARED FOR

MR. THOMAS QUAGLIATA, JOB MANAGER  
HARRIS N.A.  
111 WEST MONROE STREET 4E  
CHICAGO, ILLINOIS 60603

DATE OF VALUATION: MAY 3, 2010

DATE OF REPORT: MAY 7, 2010

CRM FILE NO.: 10-141U

PREPARED BY:

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STATE-CERTIFIED GENERAL APPRAISER  
LICENSE NUMBER: RZ 155

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Clayton, Roper & Marshall, Inc., a Florida Corporation  
CRAIG H. CLAYTON, MAI  
State-Certified General Appraiser RZ 118



PAUL M. ROPER, MAI, SRA  
State-Certified General Appraiser RZ 141

STEVEN L. MARSHALL, MAI, SRA  
State-Certified General Appraiser RZ 155

May 7, 2010

Mr. Thomas Quagliata, Job Manager  
Harris N.A.  
111 West Monroe Street 4E  
Chicago, Illinois 60603

Dear Mr. Quagliata:

As you requested, we have made the inspections, investigations, and analyses necessary to appraise the proposed 247-lot single-family subdivision to be known as Bonnie's Landing, located at the southeast quadrant of 30<sup>th</sup> Street and Grace Avenue, within the City of Haines City, Polk County, Florida. The subject property is more particularly described by both legal and narrative descriptions within the text of the following appraisal report.

This is a Summary Appraisal Report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice for a Summary Appraisal Report. As such, it might not include full discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraisers' opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraisers' file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraisers are not responsible for unauthorized use of this report.

The purpose of this appraisal was to form an opinion of the market value of the fee simple interest in the subject property in the "as is" condition. We have also included a disposition value based on a six month sale and a liquidation value based on a three month sale. The "as is" market value estimate is made effective the date of our most thorough physical inspection of the subject property, May 3, 2010.

The reader/user of this appraisal report is advised that we previously appraised the subject property vacant land effective October 30, 2008 (Reference CRM File No. 08-334) and again on May 30, 2009 (Reference CRM File No. 09-169U). The "as is" market value in the 2008 report was \$2,500,000 and in the 2009 report was \$2,220,000. It should be noted that the intended user of this appraisal report is BMO Capital Markets. It is not Harris N.A.; however, it should be noted that the report is addressed to the Job Manager (Thomas Quagliata) at Harris N.A.

Based upon our investigation into those matters that affect market value, and by virtue of our experience and training, we have arrived at a market value, subject to the *Assumptions and Limiting Conditions* contained herein, and effective as of the date of inspection on May 3, 2010, for the fee simple interest in the subject property to be:

**ONE MILLION SIX HUNDRED THOUSAND DOLLARS**

**(\$1,600,000).**

May 7, 2010

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Mr. Thomas Quagliata  
Harris N.A.

Based upon our investigation into those matters that affect market value, and by virtue of our experience and training, we have estimated the “**Disposition**” market value of the subject property, effective May 3, 2010, to be:

**NINE HUNDRED SIXTY THOUSAND DOLLARS**

**(\$960,000).**

Based upon our investigation into those matters that affect market value, and by virtue of our experience and training, we have estimated the “**Liquidation**” market value of the subject property, effective May 3, 2010, to be:

**FOUR HUNDRED EIGHTY THOUSAND DOLLARS**

**(\$480,000).**

Furthermore, we have considered an appropriate marketing period for the subject property at the market value estimate reported above. Our estimate was based upon interviews with active market participants within the subject’s marketing area. Assuming the utilization of an organized and coordinated marketing effort, we have estimated a reasonable marketing period for the subject property of approximately 12 months.

To the best of the appraisers’ ability, the analysis, opinions, and conclusions were developed and the report was prepared in accordance with the standards and reporting requirements of BMO Capital Markets. The appraisal analyses, opinions, and conclusions were developed and this appraisal report has been prepared in conformance with (and use of this report is subject to) all regulations issued by the Office of the Comptroller of the Currency, regarding the enactment of Title XI of the Financial Institution Reform, Recovery, and Enforcement Act of 1989 (FIRREA). The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice (USPAP).

This letter of transmittal precedes and is hereby made a part of the Summary Appraisal Report that follows, setting forth the most pertinent data and reasoning which was used in order to reach the final value estimate. The appraisal is subject to the *Assumptions and Limiting Conditions* that have been included within the text of this report. These assumptions and conditions are considered usual for this type of assignment.

We hereby 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 our 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 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



May 7, 2010

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Mr. Thomas Quagliata  
Harris N.A.

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 the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice (USPAP); we have made a personal inspection of the property that is the subject of this report; and no one provided significant professional assistance to the persons signing this report.

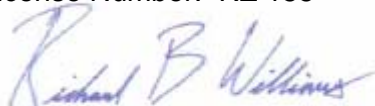
The Appraisal Institute maintains a voluntary continuing education program for its members. As of the date of this report, the undersigned MAI has completed the requirements of the continuing education program of the Appraisal Institute. We do not authorize the out of context quoting from or partial reprinting of this appraisal report. Further, neither all nor any part of this appraisal shall be disseminated to the general public by the use of media for public communication without the prior written consent of the appraisers signing this appraisal report. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives and to the requirements of the State of Florida relating to review by its Real Estate Appraisal Board. This is a certified appraisal as defined in the provisions of Part II, Chapter 475.501, Florida Statutes.

Respectfully submitted,

CLAYTON, ROPER & MARSHALL



Steven L. Marshall, MAI, SRA  
State-Certified General Appraiser  
License Number: RZ 155



Richard B. Williams  
State Registered Trainee Real Estate Appraiser  
License Number: RI 22274

SLM/RBW/sas

## DEFINITIONS

### **MARKET VALUE<sup>1</sup>**

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

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

### **EXPOSURE TIME**

Within Definition of Market Value, the value opinion presumes that "A reasonable time is allowed for exposure in the open market". Exposure time is defined as the length of time 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 effective date of the appraisal. Exposure time is presumed to precede the effective date of the appraisal.

The reasonable exposure period is a function of price, time and use. It is not an isolated opinion of time alone. Exposure time is different for various types of real estate and under various market conditions. As noted above, exposure time is always presumed to precede the effective date of appraisal. It is the length of time the property would have been offered prior to a hypothetical market value sale on the effective date of appraisal. It is a retrospective opinion based on an analysis of recent past events, assuming a competitive and open market. It assumes not only adequate, sufficient and reasonable time but adequate, sufficient and a reasonable marketing effort. Exposure time and conclusion of value are therefore interrelated.

Based on discussions with market participants and information gathered during the sales verification process, a reasonable exposure time for twelve (12) months. This assumes an active and professional marketing plan would have been employed by the current owner.

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<sup>1</sup> Title XI, Financial Institutions Reform, Recovery, and Enforcement Act of 1989 ("FIRREA"), [Pub. L. No. 101-73, 103 Stat. 183 (1989)], 12 U.S.C. 3310, 3331-3351, and section 5(b) of the Bank Holding Company Act, 12 U.S.C. 1844(b); Part 225, Subpart G: Appraisals; Paragraph 225.62 (f).

Uniform Standards of Professional Appraisal Practice, 2010-2011 Edition  
Federal Reserve System, 12 CFR Parts 208 and 225, Sec. 225.62  
Office of the Comptroller of the Currency, 12 CFR part 34, Sec. 34.42  
FDIC, 12 CFR Part 323, Sec. .323.2  
Office of Thrift Supervision, 12 CFR Part 564, Sec. 564.2  
NCUA, 12 CFR Part 722, Sec. 722.2

## **MARKETING TIME**

Marketing time is an opinion of the time that might be required to sell a real property interest at the appraised value. Marketing time is presumed to start on the effective date of the appraisal. (Marketing time is subsequent to the effective date of the appraisal and exposure time is presumed to precede the effective date of the appraisal). The opinion of marketing time uses some of the same data analyzed in the process of estimating reasonable exposure time and it is not intended to be a prediction of a date of sale.

We believe, based on the assumptions employed in our analysis, as well as our selection of investment parameters for the subject, that our value conclusion represents a price achievable within twelve (12) months.

## **FEE SIMPLE ESTATE<sup>2</sup>**

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<sup>2</sup>**

An ownership interest held by a landlord with the rights of use and occupancy conveyed by lease to others. The rights of the lessor (the leased fee owner) and the lessee are specified by contract terms contained within the lease.

## **LEASEHOLD INTEREST<sup>2</sup>**

The interest held by the lessee (the tenant or renter) through a lease conveying the rights of use and occupancy for a stated term under certain conditions.

## **CONDOMINIUM<sup>2</sup>**

1. 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 property.
2. A multiunit structure or property in which persons hold fee simple title to individual units and an undivided interest in common areas.

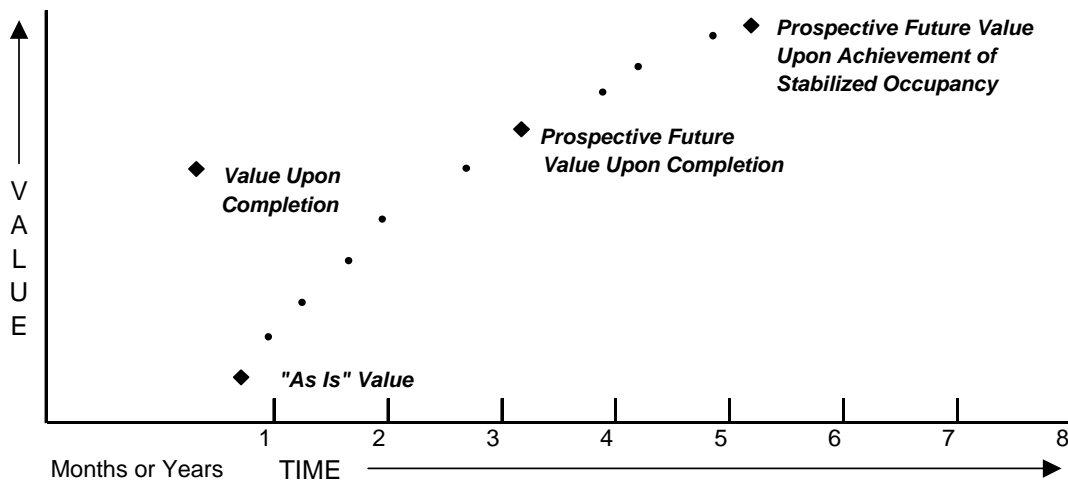
## **HIGHEST AND BEST USE<sup>2</sup>**

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

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2 The Dictionary of Real Estate Appraisal, 4th Edition (Chicago: Appraisal Institute, 2002).

### VALUE CREATION CONTINUUM<sup>3</sup>



The preceding exhibit graphically displays the creation of value in a real estate development projection over time, assuming a zero inflation environment for clarity of presentation.

The four time differential values on the graph that may be considered in the appraisal of proposed developments are defined as follows:

1. **As Is** means an estimate of the market value of a property in the condition observed upon inspection and as it physically and legally exists without hypothetical conditions, assumptions, or qualifications as of the date of appraisal is prepared.
2. **Value Upon Completion** means the market value of a property with all proposed construction, conversion, or rehabilitation hypothetically completed, or under other specified hypothetical conditions as of the date of 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 shall reflect the market value of the property as if complete and prepared for occupancy by tenants.
3. **Prospective Future Value Upon Completion** means the prospective future value of a property on the date that construction is completed, based upon market conditions forecast to exist as of that completion date.
4. **Prospective Future Value Upon Achievement of Stabilized Occupancy** means the prospective future value of a property at a point in time when all improvements have been physically constructed and the property has been leased to its optimum level of long term occupancy.

<sup>3</sup> Code of Federal Regulations, Title 12, as amended by the Federal Home Loan Bank Board.

## ASSUMPTIONS AND LIMITING CONDITIONS

1. This is a Summary Appraisal Report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice for a Summary Appraisal Report. As such, it might not include full discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.
2. No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated in this report.
3. The property is appraised free and clear of any or all liens and encumbrances unless otherwise stated in this report.
4. Responsible ownership and competent property management are assumed unless otherwise stated in this report.
5. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
6. All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
7. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
8. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in this report.
9. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in this appraisal report.
10. It is assumed that all required licenses, certificates of occupancy, or other legislative or administrative authority from any local, state, or national governmental, or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report are based.
11. Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.

## ASSUMPTIONS AND LIMITING CONDITIONS

(Cont'd)

12. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless otherwise stated in this report.
13. The appraiser is not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraiser that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The appraiser's value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraiser's descriptions and resulting comments are the result of the routine observations made during the appraisal process.
14. Unless otherwise stated in this report, the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the American Disabilities Act. The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's value, marketability, or utility.
15. Any proposed improvements are assumed to be completed in a good workmanlike manner in accordance with the submitted plans and specifications.
16. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
17. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event, only with proper written qualifications and only in its entirety.
18. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news sales, or other media without written consent and approval of the appraiser.

## SUMMARY OF SALIENT FACTS

<u>TYPE OF APPRAISAL</u>	Summary Appraisal Report
<u>DEVELOPMENT NAME</u>	Bonnie's Landing
<u>OWNER OF RECORD</u>	Tollefson Development of Florida, Inc.
<u>LOCATION</u>	The site is located at the southeast quadrant of 30 <sup>th</sup> Street and Grace Avenue in Haines City, Polk County, Florida.
<u>PROPERTY TYPE</u>	78.36+/- gross acres of vacant residential land proposed to be developed into 247 single-family home sites. This property is to be known as Bonnie's Landing.
<u>PROPERTY SIZE</u>	The total area of the subject site is 78.36 gross acres, all of which are uplands.
<u>PROPOSED DENSITY</u>	The total net residential density of the subject property, as proposed for development, is approximately 3.15 dwelling units per acre.
<u>ZONING</u>	RPUD, Residential Planned Unit Development, City of Haines City
<u>FUTURE LAND USE</u>	Low Density Residential, City of Haines City (5 dwelling units per acre)
<u>INTEREST APPRAISED</u>	Fee Simple
<u>HIGHEST AND BEST USE</u>	Future single-family residential development
<u>DATE OF VALUATION</u>	May 3, 2010
<u>"AS IS" MARKET VALUE</u>	\$1,600,000
<u>DISPOSITION VALUE</u>	\$960,000
<u>LIQUIDATION VALUE</u>	\$480,000
<u>MARKETING PERIOD</u>	Twelve (12) Months
<u>CONDITIONS</u>	This appraisal is subject to the <i>Assumptions and Limiting Conditions</i> included within this text.

## SUBJECT PHOTOGRAPHS



NORTH VIEW ON 30TH STREET AT GRACE AVENUE



SOUTH VIEW ON 30TH STREET AT GRACE AVENUE, SUBJECT TO THE LEFT

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**CLAYTON, ROPER & MARSHALL**





EAST VIEW ON GRACE AVENUE AT 30TH STREET, SUBJECT TO THE RIGHT



SOUTHEAST VIEW OF SUBJECT FROM GRACE AVENUE AND 30TH STREET



WEST VIEW ON GRACE AVENUE, SUBJECT TO THE LEFT



SOUTHWEST VIEW OF SUBJECT FROM GRACE AVENUE

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**CLAYTON, ROPER & MARSHALL**



SOUTH VIEW OF SUBJECT FROM GRACE AVENUE



SUBJECT FRONTAGE ON 30TH STREET

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**CLAYTON, ROPER & MARSHALL**





EAST VIEW ON ROBINSON DRIVE AT 30TH STREET, SUBJECT TO THE LEFT



NORTHEAST VIEW FROM 30TH STREET AND ROBINSON DRIVE



WATER AND SEWER MATERIALS ON SITE



WATER AND SEWER MATERIALS ON SITE



PROPERTY INTERIOR



WEST VIEW ON ROBINSON DRIVE, SUBJECT TO THE RIGHT



NORTHWEST VIEW OF SUBJECT FROM ROBINSON DRIVE



WATER AND SEWER MATERIALS ON SITE

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**CLAYTON, ROPER & MARSHALL**





NORTH VIEW OF SUBJECT FROM ROBINSON DRIVE



NEIGHBORING HIGH SCHOOL

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**CLAYTON, ROPER & MARSHALL**





PROPERTY SIGNAGE



SUBJECT FOR SALE SIGNAGE

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**CLAYTON, ROPER & MARSHALL**

## OVERVIEW OF ASSIGNMENT

### **PURPOSE OF THE APPRAISAL**

The purpose of this appraisal is to provide the appraisers' opinion of the market value of the subject real property as of the effective dates. *Market Value* is defined by the federal financial institution's regulatory agencies as follows:

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

- (1) buyer and seller are typically motivated;
- (2) both parties are well informed or well-advised, and acting in what they consider their own best interests;
- (3) a reasonable time is allowed for exposure in the open market;
- (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- (5) 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.

(Source: Office of the Comptroller of the Currency under 12 CFR, Part 34, Subpart C-Appraisals, 34.42 Definitions (fj.)

### **INTENDED USER AND USE OF REPORT**

The intended user of this appraisal report is BMO Capital Markets. It is not Harris N.A.; however, it should be noted that the report is addressed to the Job Manager (Thomas Quagliata) at Harris N.A. The intended use is to evaluate the property that is the subject of this appraisal in order to establish marketability, and potential loan and asset recovery thresholds, subject to the stated Scope of Work, purpose of the appraisal, reporting requirements of the client, and Definition of Market Value. No additional intended users are identified by the appraisers.

### **INTEREST APPRAISED**

The interest in the subject property being appraised is the unencumbered fee simple interest. We have also included a disposition value based on a six month sale and a liquidation value based on a three month sale.

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**CLAYTON, ROPER & MARSHALL**

## EFFECTIVE DATE OF APPRAISAL

The “as is” market value estimate is made effective the date of our most thorough physical inspection of the subject property, May 3, 2010.

**DATE OF INSPECTION** – May 3, 2010

**DATE OF REPORT** – May 7, 2010

## COMPETENCY OF APPRAISERS

The appraisers’ specific qualifications are included within the *Addendum* of this report. These qualifications serve as evidence of their competence for the completion of this appraisal assignment in compliance with the Competency Provision contained within the Uniform Standards of Professional Appraisal Practice as promulgated by the Appraisal Standards Board of the Appraisal Foundation. The appraisers’ knowledge and experience, combined with their professional qualifications, are commensurate with the complexity of this assignment. The appraisers have previously provided consultation and value estimates for similar properties throughout the State of Florida.

## SCOPE OF WORK AND DEVELOPMENT OF THE ASSIGNMENT

USPAP defines the *scope of work* as

the type and extent of research and analyses in an assignment. The scope of work includes but is not limited to

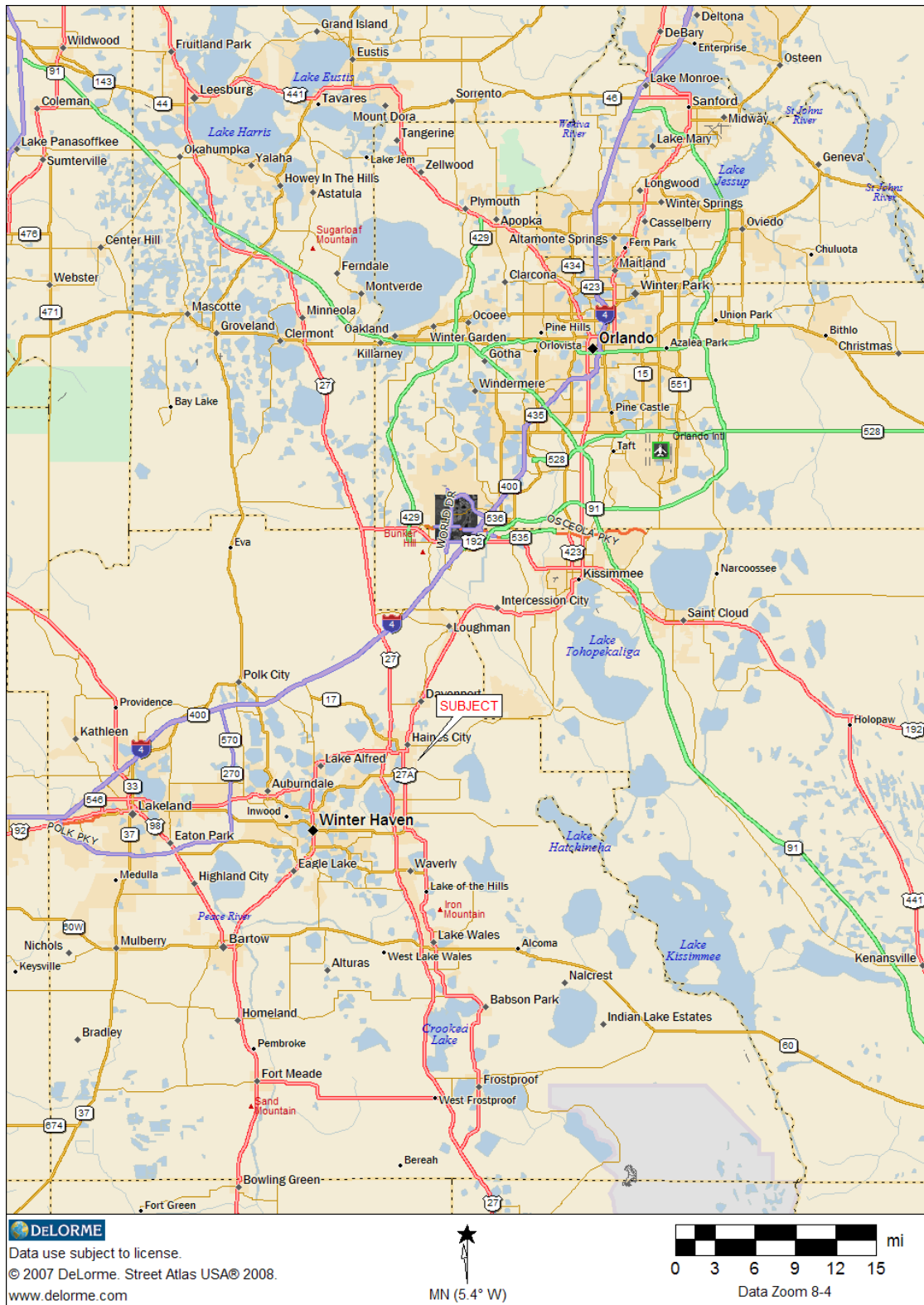
- (1) the extent to which the property is identified;
- (2) the extent to which the tangible property is inspected;
- (3) the type and extent of the data researched; and
- (4) the type and extent of analysis applied to arrive at opinions or conclusions.

1. **Property Identification:** The subject vacant land was observed in order to report the physical characteristics of the subject property which was relevant to the valuation problem. Information regarding site size is based on a Survey/Site Plan prepared by Knight Engineering Consultants, Inc. of Clermont, FL. The survey was dated December 8, 2003, with the Project Number 105-09.

2. **Property Inspection:** The subject property was inspected on May 3, 2010. Information was gathered regarding the subject property to use in the valuation problem via the Polk County Property Appraiser's records, Polk County Tax Collector, City of Haines City Planning and Zoning Department, Microbase, and InterFlood (flood source).
3. **Data Research:** Information was gathered on comparable residential development land sales in the Central Florida area and the pertinent sales data were confirmed. This information was analyzed and utilized in the application of the Sales Comparison Approach.
4. **Analyses Applied:** The four factors that determine the property's highest and best use were analyzed. These factors include the physically possible, legally permissible, financially feasible, and maximally productive uses. Traditionally, there are three approaches utilized in the valuation of real property: the Cost Approach, the Sales Comparison Approach, and the Income Approach. Typically, after obtaining value estimates by the Cost, Sales Comparison, and Income Approaches, the results are reconciled into a final value conclusion. The Sales Comparison Approach was utilized to form the "as is" land value. Since the subject was valued on an "as is" basis, being raw land, the Income Approach and Cost Approach were not utilized to form a value opinion of the subject properties. The appraiser deems the Sales Comparison Approach to be the primary approach used by the industry for properties similar to the subject. Only the Sales Comparison Approach was applied and was reported in a Summary format.

No limitations or restrictions prevented application of traditional appraisal methodology, and the data supplied by the client was sufficient. All data relating to sales was confirmed with buyers, sellers, or agents who were involved with or had knowledge of transactional information.

## REGIONAL AREA MAP



**CLAYTON, ROPER & MARSHALL**

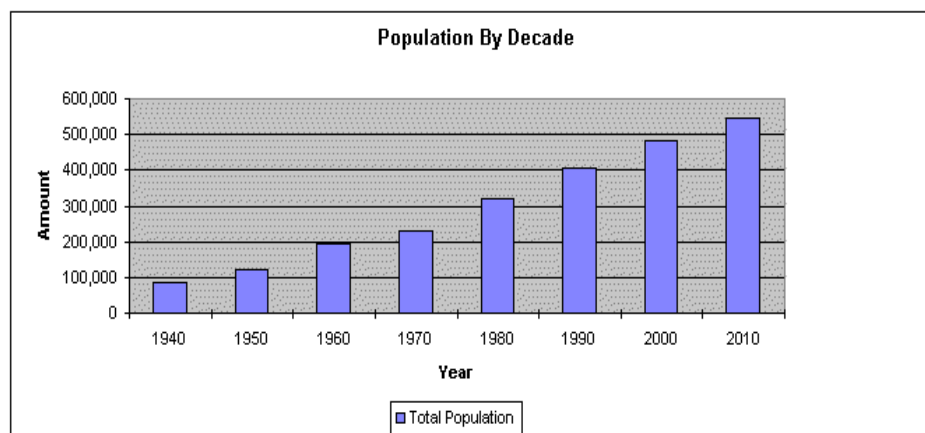
## POLK COUNTY AREA DATA

### POPULATION

At the decennial census of 1870, the first after Polk County was created, the County had a population of 3,169. There was little change in this population until 1884 when the first railroad came to the area. There was then a spurt in the population which was further intensified by the discovery of phosphate deposits in the area. This started a minor boom in the late 1880s and early 1890s. By 1900, the population of Polk County had increased to 72,291.

According to the Central Florida Development Council, Inc., the population of Polk County in 1990 was 405,382. According to the 2000 U.S. Census, the population had grown to 483,924, indicating a growth rate over the 10-year period of approximately 19.4%, or approximately 1.94% per year. According to the US Census Bureau, the population had grown to 561,606 by 2006, indicating an average annual growth rate of approximately 3.71% per year from 2005.

Population Growth		
Year	Population	% Change
1940	86,665	
1950	123,977	43.1
1960	195,139	7.4
1970	228,215	16.9
1980	321,652	40.9
1990	405,382	26.0
2000	483,924	19.4
2010	599,000	23.8
2020	699,000	16.7



<b>Population of Polk's Municipalities</b>			
<b>Area</b>	<b>Census 2000</b>	<b>Estimates 2008</b>	<b>Percentage Change</b>
Polk County	483,924	585,733	17.38
Unincorporated Areas	302,797	365,265	17.10
Auburndale	11,032	14,121	21.88
Bartow	15,340	17,296	11.31
Davenport	1,924	2,705	28.87
Dundee	2,912	3,310	12.02
Eagle Lake	2,496	2,732	8.64
Ft. Meade	5,691	5,864	2.95
Frostproof	2,975	2,867	-3.77
Haines City	13,174	18,916	30.36
Highland Park	244	248	1.61
Hillcrest Heights	266	256	-3.91
Lakeland	78,452	93,508	16.10
Lake Alfred	3,890	4,562	14.73
Lake Hamilton	1,304	1,409	7.45
Lake Wales	10,194	13,052	21.90
Mulberry	3,230	3,467	6.84
Polk City	1,516	1,751	13.42
Winter Haven	26,487	34,404	23.01

<b>Labor Force Statistics 2008</b>			
	<b>Polk County</b>	<b>Florida</b>	<b>United States</b>
Civilian Labor Force	272,726	9,304,000	154,624,000
Employment	249,980	8,626,000	144,609,000
Unemployment	22,746	677,000	10,015,000
Unemployment Rate	8.3%	7.3%	6.5%

## CENTRAL FLORIDA REGIONAL POPULATION

Polk County is the geographical center of Florida. The population of the Central Florida Region within a 50 mile radius is over 3,000,000.

There are approximately 8.5 million people that live within a 100 mile radius of Polk County.

## **TRANSPORTATION**

Polk County, the center of Florida's industrial belt, is within 500 miles of 40 major metro markets. It provides available transportation to all areas in the state and beyond. The transportation picture is complete with highways, rails, airports, and deep water ports nearby.

Polk County straddles Interstate 4, the main conduit for the Central Florida growth corridor. Interstate 4 connects with Interstate 75 between Lakeland and Tampa (16 miles west of Lakeland interchange). Interstate 75 reaches north to Atlanta, Cincinnati, Cleveland, Detroit and Ontario. Interstate 4 runs to Orlando in the east, connecting with the Florida Turnpike, or continuing to Daytona where it connects with Interstate 95. Interstate 95 runs north through Jacksonville, Charleston, Richmond, Washington D.C., Baltimore, New York and Boston.

US Highway 27 is a north/south route in the County connecting Interstate 4 at Baseball City to Haines City, Dundee, Winter Haven, Lake Wales and Frostproof. Beyond the County, US Highway 27 connects Tallahassee and points north with Miami in the south.

US Highway 92 runs through central Polk County from Tampa to Daytona Beach. US Highway 98 runs through Polk County from West Palm Beach to Natchez, Mississippi. Highway 60 runs from Clearwater on Florida's west coast, through southern Polk County, to Vero Beach on the east coast.

US Highway 17 also passes through the heart of Polk County. Originating in Punta Gorda, this route continues to Winchester, Virginia.

## **PACKAGE DELIVERY**

Many national package delivery companies offer one working day delivery to all fifty states and two business day air service to many European and Asian countries. These companies, consisting of United Parcel Service (UPS), Emery Express, Federal Express, Purolator Courier, General Parcel Service and Roadway Express, Inc. operate in Polk County offering door-to-door and business-to-business overnight delivery.



## RAIL

### *Freight*

Rail freight service is plentiful in Polk County. CSX offers multi-modal service for freight and distribution and transportation including train, truck, barge, and container services. North-south and east-west mainlines extend from the center of the County and there are several switching yards providing access to the vast network of rail within the County. CSX Railroad serves the County with a northwest/southeast line extending from Waycross, Georgia, to Lakeland, and a north/south main line from Richmond, Virginia, to St. Petersburg.

### *Passenger*

Amtrak has boarding stations in both Lakeland and Winter Haven with four arrivals and departures daily from each city.

## DEEP WATER PORTS

**Port of Tampa** is the largest port in Florida and is ranked seventh largest in the nation. It is a land-locked harbor located on Tampa Bay with access to Route 60, Interstate 4, US Highway 301 and US Highway 41. The Port has general cargo facilities, including the largest dockside cold storage facility in the nation, and specialized bulk terminals and liquid storage facilities. Recent additions to the Port of Tampa facilities include a newly built 85,000 square foot warehouse. The Port of Tampa now supports 22,028 feet of linear dock space. There are 52 receptacles for refrigerated containers along with over 50 acres of open area for cargo storage and ship repair. The Port of Tampa is served by CSX Transportation with connections to all railways in the United States.

**Port Manatee** is ranked among the top 5 of Florida's 14 deep water seaports in terms of annual cargo tonnage. Located in the Eastern Gulf of Mexico at the entrance to Tampa Bay, it currently has 40' draft, with six deepwater berths. The Port has a 400' channel that is three miles long leading to the main Tampa Bay channel.

Located in northwestern Manatee County on Tampa Bay, it offers quick D.O.T. "A" rated interstate access to US Highway 41, Interstate 75 and Interstate 275 for north and south movements to major U.S. markets. The Port provides direct, fast intermodal connections for cargo movement to and from Central Florida, the Southeastern United States, both Central and South America, South Africa and Europe. It also operates its own terminal railroad and interconnects with the CSX System.

Port Manatee is rapidly becoming known as a truly intermodal terminal and distribution center, as it has direct rail and highway access for waterborne commerce. The Tampa Bay marketplace consumes many imported goods and is a manufacturing / wholesale center for exporting commodities to Central and South America. It can also provide total container service for shippers with its Ro-Ro berths, lifting cranes, reefer plugs, and dockside storage areas.

Transitioning from primarily a bulk product port to a general cargo and food products facility, the Port still handles a large volume of fertilizer, lumber, cement, and petroleum. Some newer cargos, however, include orange juice concentrate, melons, bananas, frozen vegetables, furniture, motor vehicles and containerized general cargo. The Port now has scheduled container liner service providing regular connections to Central and South America, South Africa and Europe. It provides a fully computerized public scale and 24 hour security patrol as well as two security gate entrances.

Port Manatee is situated on 775 acres of prime Florida bay front property. The Port has more than 5,400 linear feet of deep water berthing, and more than 500,000 square feet of cold storage, and 2.6 million barrels of liquid bulk capacity. Current plans call for additional warehousing, cold storage facilities, and office space. In addition, the Port has set aside nearly 100 acres for a terminal/distribution center. There are also smaller sites for manufacturing and industrial development. Port Manatee has been granted Foreign Trade Zone status (FTZ #169) to provide cost advantages for importers and manufacturers.

Port Manatee also has a Port Manatee Service Center which provides automation into Customs Automated Broker Interface (ABI) for a nominal fee. This Service Center is available nationwide to any broker/shipper who would like to become automated, but does not wish to make a large capital investment. The Service Center has been U.S. Customs certified for over 4 years and is operational 24 hours a day, 7 days a week.

## **REGIONAL AIRPORTS**

### ***Orlando International Airport***

The airport is operated and managed by the Greater Orlando Aviation Authority. The Authority consists of a seven-member board of directors, an Executive Director and a staff of more than 600 full-time employees.

The Orlando International Airport features three major runways: Two 12,000 foot by 200/300 foot runways, and one 10,000 foot by 150 foot runway. Total airport terminal space is in excess of 5 million square feet and there are 9,990 covered and uncovered automobile parking spaces. The landside terminal alone has more than 2.8 million square feet.

Other features include an Automated Guideway Transit System with capacity for 72,000 passengers per hour, a hydrant fueling storage and distribution system tied into a pipeline system that extends to the Port of Tampa, a flood control system, and an International Arrivals Concourse with full U.S. Customs, Immigration and Department of Agriculture Services.

### ***Tampa International Airport***

Tampa is served by 21 passenger airlines with approximately 297 flights daily departing to all major American and many international destinations. The United States Department of Transportation has twice rated Tampa the highest airport in the United States in on-time arrivals.

## **COMMERCE AND INDUSTRY**

Industry in Polk County is a very diversified, although the local economy's strengths are still Phosphate, Citrus and Tourism. Polk has its share of large employers such as Publix, whose Florida headquarters in Lakeland employs 8,300. The Fortune 500 is well represented here by companies like Coca Cola, General Electric, International Minerals and Chemicals, Mobil Mining and Minerals, Owens-Illinois and Sherwin Williams.

Low wages, abundant labor, highways and turnpikes that crisscross the County, a low cost of living, and a large population within a few hundred miles have made Polk County an attractive place for many industries to relocate.

## POLK COUNTY'S LARGEST EMPLOYERS

Top Employers	Employment
Polk County School Board	13,000
Polk County Government	9,000
Publix Super Markets	8,300
Wal-Mart	5,100
State of Florida	4,300
Lakeland Regional Medical Center	4,000
MOSAIC	4,000
Winter Haven Hospital	2,500
City of Lakeland	2,500
GEICO Insurance	2,200
State Farm Insurance	1,500
Federal Government	1,300
Watson Clinic	1,300
GC Services	1,200
Florida's Natural Growers	1,000

## ENVIRONMENTAL SERVICES

### *The treatment of hazardous wastes and the disposal of solid refuse.*

The Board of County Commissioners has franchised and licensed waste collection companies which collect residential and commercial refuse throughout Polk County. These companies may dispose of most types of solid waste in the County's landfills with certain exceptions (hazardous wastes, oily wastes, automotive batteries, etc.).

The Commission operates one landfill open six days a week from 7:00 to 5:00 PM:

- 1) North Central Landfill, on State Road 540, between Lakeland and Winter Haven.

Landfill disposal charges are \$34.50 per ton. The average landfill charge throughout Florida ranges from \$20.00 to \$135.00 per ton.

The following types of waste are prohibited from being disposed at any County landfill site.

1. Hazardous waste - such as chemicals and pesticides.
2. Liquid, semi-liquid or sludge type waste, including waste oil.
3. Materials that are smoking or burning.
4. Out-of-county waste.

## **ECONOMIC AND INDUSTRY PROFILES**

Polk County's economy has historically been driven by three main industries: citrus, phosphate, and tourism. In the 1980s, following freezes that devastated the citrus industry and a significant downturn in the world phosphate market, Polk County's unemployment rate began to rise. In 1983, Polk County's unemployment peaked at 19.6% and averaged 15.6% for the year.

The Polk County Board of County Commissioners, in cooperation with the County's business community, addressed the depressed economic conditions and the factors that created them by forming an initiative whose mission was to lower the unemployment rate, diversify the local economy, and increase the local tax base. The Polk Economic Development Council public/private partnership between the Board of County Commissioners and the County's Chambers of Commerce was created in 1985.

Between 1985 and 1990, the County experienced major economic growth and its program of economic development was copied in many communities throughout the state. In 1991, Polk County began an aggressive target marketing campaign. Targeted industries include: Food and Food Distribution, Power Generation, Pharmaceutical, Back Office/Financial, Electronic Components, Biomedical, Light Manufacturing, Medical Equipment, and Service Industries.

Today, the Polk Economic Development Council has evolved into the Central Florida Development Council, and the diversification and optimism that began in the 1980s continues to grow. Polk County is moving from a rural setting to an urban community. Local manufacturers use the latest methods in computer assisted design (CAD/CAM). Local employment is changing from low skill to high skill, and Polk County has emerged as a powerful force in the international marketplace. The results of this economic evolution have been impressive. Polk's unemployment rate dipped to 3.5% in 2006. New manufacturing employment in the County accounted for more than 70% of the state's new manufacturing employment.

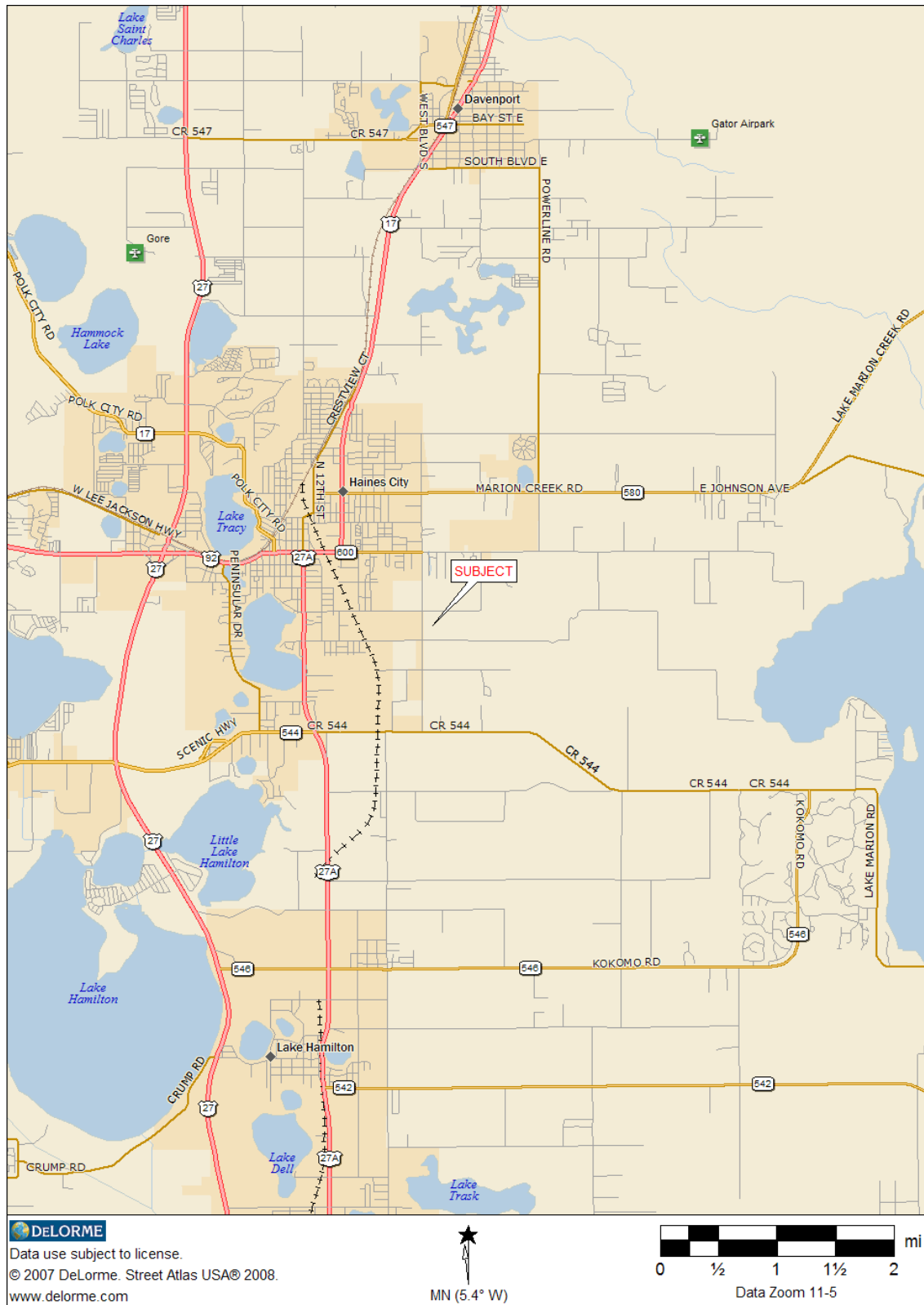
Polk County is emerging as the state's food production and food distribution center, and with six new cogeneration facilities and two major power stations, either completed or under construction, the County has also become the state's energy center. Total capital investment from Polk's new power production projects equals \$4 billion. In addition to the new companies in the County's rapidly diversifying industrial base, Polk houses the corporate headquarters for Publix Super Markets, W.S.

Badcock Corporation, Discount Auto Parts, Watkins Motor Lines, Breed Technologies, Comcar, Colorado Boxed Beef, and many other outstanding companies. Advancements in telecommunications have created opportunities to attract office and financial businesses, and Polk County is home to large regional office operations for GEICO Insurance, State Farm Insurance, and Summit Consulting.

## **CONCLUSION**

Polk County is in the center of one of the fastest growing, economically diverse regions in the United States. As the County's economy continues to expand, new industries and employers will take on key roles in our economy. In conclusion, Polk County is diversified, although the County's economic strengths are still phosphate, citrus and tourism. Low wages, abundant labor, highways and a large population make Polk County an attractive place for industries to locate.

## NEIGHBORHOOD MAP



**CLAYTON, ROPER & MARSHALL**

## NEIGHBORHOOD ANALYSIS

A neighborhood tends to be any separately identifiable, cohesive area within a community with some common interest shared by its occupancy. Some neighborhoods may have recognizable natural or man-made boundaries. While physical boundaries are used when most analysts define the neighborhood, they are often less significant than other boundaries of influence. A neighborhood has been defined as a grouping of complementary land uses affected in a similar manner by the following forces – social, economic, governmental, and environmental – which affect all property values. In addition to physical boundaries, neighborhood boundaries can be further identified by perceptible changes in such characteristics as degrees of similarity in land use, types of structure, architectural style, and maintenance. Every neighborhood is influenced by its surrounding community or metropolitan area.

The subject neighborhood is considered to be defined by those properties located within the area bordered to the north by County Road 547, to the west by US Highway 27, to the east by Lake Marion, and to the south by County Road 542.

The subject neighborhood area is situated in the northeast sector of Polk County. Geographically, the area lies about 30 miles southwest of downtown Orlando and about 20 miles southwest of the City of Kissimmee. The subject property is located centrally within the described neighborhood boundaries. The overall character of the neighborhood is most accurately described as being transitional. The historic agricultural character of the neighborhood is being transformed into more of a suburban, residentially-oriented area.

The subject is located immediately east of one of the area's high schools, Haines City High School. The property is also located within a close proximity to Boone Middle School and Alta Vista Elementary.

Commercial developments are evident along US Highway 27, especially in close proximity to the Interstate 4 interchange. Just outside the northern neighborhood boundary is the entrance to the Walt Disney properties, which has access from Interstate 4.



Hospitals/medical centers near Haines City and Davenport include Heart of Florida Regional Medical Center in Davenport, Winter Haven Hospital in Winter Haven, and Bartow Memorial Hospital in Bartow, which is the furthest at 21 miles.

Airports certified for carrier operations nearest to Haines City are Lakeland Linder Regional, Orlando International and Orlando Sanford. Other public-use airports are Winter Haven's Gilbert, Jack Browns in Winter Haven, and Chalet Suzanne Air Strip in Lake Wales.

Colleges and universities in or near Haines City are Landmark Baptist College in Haines City, Polk Community College in Winter Haven, Travis Technical Center in Lakeland, Saint Leo University in St. Leo and in the greater Orlando area, Valencia Community College, Rollins College, University of Phoenix-Orlando Campus and University of Central Florida. Haines City has two senior high schools, a middle school, several elementary schools and private schools.

## **TRANSPORTATION NETWORK**

The neighborhood is serviced by a good roadway transportation network which provides good commuting access to and from employment centers in other parts of the Polk County/Orlando MSA.

Interstate 4 extends in a southwesterly/northeasterly direction just to the east of the neighborhood. Interchanges at US Highway 27 and US Highway 192 promote good access to and from the neighborhood to other parts of the Orlando MSA. Interstate 4 is a limited access arterial which is considered to be the primary highway in metropolitan Orlando. This corridor has a western terminus in the Tampa area and extends northeasterly through metropolitan Orlando with its eastern terminus at Interstate 95 in West Daytona Beach.

US Highway 27 extends along the eastern boundary of Green Swamp and is one of the primary commercial corridors in the neighborhood. The recently opened Posner Park town center is situated at the southeast quadrant of US Highway 27 and Interstate 4. Properties in the vicinity of this intersection have been developed commercially with several motels, fast food franchises, and retail shopping facilities targeting the tourist market. Additional developments in this area consist of recreational vehicle parks, etc. which compete for the intensive tourist/consumer markets.

One of the primary transportation networks that has had a positive effect upon the neighborhood area is the recent completion of the southwest portion of the Orlando Beltway (State Road 429). The southwest portion of the Beltway ties into other Beltway portions that 'loop' around the Orlando metropolitan area. This limited access toll road provides increased desirability for residential housing in the area as travel to other parts of the Orlando metropolitan area will be made easily accessible. The Interchange placed at US Highway 192 and State Road 429 has allowed easier access to the Orlando metropolitan area. The southwest portion of the Beltway has a southern terminus at Interstate 4 just northeast of the County Road 532 interchange and extends northerly to an interchange with the Florida Turnpike, and continues north where it currently terminates at US Highway 441 in Apopka. Plans are in place to complete the final portion (northwestern) of the Orlando Beltway 'loop' from US Highway 441 in Apopka to Interstate 4 in Sanford.

## RECENT DEVELOPMENT ACTIVITIES

The **Aldi Supermarket** chain has named Haines City home of its regional distribution center as well as regional headquarters. Aldi is known as a smart alternative for select, quality grocery items. Aldi is able to save consumers up to fifty percent on 90 percent of their everyday purchases through business practices such as having shoppers bring or purchase recyclable bags and use the cart deposit system. The \$40 million, 500,000 square foot distribution center will service more than 25 stores in the Tampa, St. Petersburg and Orlando areas that opened in September 2008. On average, jobs for Aldi's headquarters and distribution center locations will pay more than 125% of the Polk County-area jobs. The facility is expected to employ about 100 persons. The Aldi facility is located off of County Road 544 in Haines City.

A highly successful state, county, and local collaborative effort brought **Aercon Florida** to Haines City. Aercon relocated their operation in the facility formerly occupied by Ytong off County Road 544. A subsidiary of Aercon Industries LLC of Indianapolis, they produce porous concrete block and panel in sizes ranging from 4 to 12 inches thick. Primarily serving the eastern seaboard, Aercon plans to limit their market to multi-family, school, and institutional construction. The region will benefit from \$6 to \$8 million in raw material purchases from local sources. This project represents a capital investment of approximately \$36.5 million and establishes the impetus for a rail spur and the community's proposed 240 acre business and industrial park. In a written statement, former Governor Jeb Bush said, "The location of Aercon to Haines City is certainly welcome news because it will dramatically improve economic development for this rural community."

Another development with the City of Haines City is the \$28 million **Lake Eva Park** expansion and restoration. The new development replaced a former 23 acre facility that included a park, baseball and football fields once used by Haines City High School and an old armory building. The new redevelopment of the park consists of 28 acres on the northeast side of Lake Eva. The new park features tennis and basketball courts, two playgrounds, a banquet facility on the lake for large events, a band shell and ribbons of biking and walking paths throughout. Along the lake is an aquatic park, fishing pier and boat ramp.

The area immediately surrounding the subject is characterized by rural agricultural land with some single-family residential development to the north and west, commercial and institutional support services to the west, and north along the US Highway 17-92 corridor that passes through the heart of Haines City. Major commercial facilities are located on the US Highway 27 corridor within the city limits of Haines City. Commercial services within this area include a Wal-Mart Supercenter, Lowes, Winn Dixie shopping center, Publix shopping center, and various specialized retail, strip retail, and restaurants. The densest commercial area is located near the intersection of US Highway 27 and Polk City Road.

Residential development in the subject's immediate area has increased significantly over the past three to five years, but has been decreasing and relatively stagnant over the past two years since 2008. The new development consists of projects developed both for the short term rental resident and the traditional long term resident. Our discussions with local planning officials and neighborhood investigation noted that several residential projects in close proximity to the subject property.

Numerous residential projects throughout the neighborhood and Polk County have decreased prices or have been discontinued due to the current poor economic market conditions. The following page contains the Haines City Development dated April 21, 2009 and shows the location and name of planned or under construction development projects.







## AREA DEVELOPMENT OUTSIDE THE IMMEDIATE NEIGHBORHOOD

The neighborhood is considered to be under the direct influence of the growth pressures from the Kissimmee and Lakeland metropolitan areas and the Orlando MSA in general.

Just to the northeast of the neighborhood, along State Road 545, land uses are also diverse. Much of the land in this area is undeveloped at this time, even though many properties have development approvals in place. Property owners are monitoring trends in the area closely so as to accurately time new development. This area has the Magnolia Creek DRI/PUD, now known as *Reunion*. Magnolia Creek is a fully approved DRI which is approved for a wide variety of land uses, including single-family residential, multi-family residential, commercial and recreational. As currently proposed, there will be 2,580 single-family units, 1,150 multi-family units, 2,060 resort units, 1,200 hotel rooms, 500,000 square feet of office space, 40,000 square feet of retail space and 1.2 million square feet for a business park. In addition, there will be three 18-hole golf courses. This property is expected to be one of the more significant influences within the neighborhood with strong pre-construction sales, according to industry sources.

Commercial and multi-family development is also well underway at the ChampionsGate PUD northwest of the subject property. ChampionsGate is a 1,417-acre planned unit development located at the northwest quadrant of Interstate 4 and County Road 532. Development within ChampionsGate now consists of two 18-hole championship golf courses designed by Greg Norman along with a golf clubhouse/pro shop and practice range, the 730 room luxury Omni Hotel Resort and Spa, ChampionsGate Village Shopping Center with a Publix, a freestanding Walgreens, a convenience store, McDonald's restaurant, branch bank under construction, The Legends Apartments (252 units built in 2001), and a three-story professional office building with 49,530 square feet of leasable area. The development plans to have an additional 208,470 square feet of office space, a total of 419,200 square feet of retail space, a total of 2,563 residential units including short-term rental villas, apartments, condominiums and assisted living, an additional 18 hole golf course, and an additional 3,009 hotel rooms.

The Reunion Resort and Club of Orlando ("Reunion") is a development of over 2,200 acres located along the east and west sides of Interstate 4 at County Road 532, and just east and north of ChampionsGate in Osceola County. The Ginn Company is the developer. Their master plan for this premier destination resort and residential community currently includes 1,474 single-family lots, 3,030 multi-family (condominium and townhome) units, 996 timeshare units, 1,100 hotel rooms and 322,000

square feet of commercial space. Amenities at Reunion include three championship golf courses totaling 54 holes of golf designed by Arnold Palmer, Tom Watson and Jack Nicklaus, a golf clubhouse including pro shop, restaurants and meeting space, tennis facility, health and fitness spas, swimming pool pavilions, and children's activity center. In addition, the project will have a network of trails for hiking, biking, jogging and horseback riding. The golf, tennis and spa amenities are operated through a private club in which all property owners will have the opportunity to be members. Reunion has encountered severe financial stress like many golf-tourist oriented planned developments. Ginn has lost control of the resort and golf course. There are numerous individual foreclosures of single family residences and condominiums. Short sales and bank owned properties are numerous and increasing per the Orlando Multiple Listing Service.

The Victor Posner Company opened the first phase of a \$500 million mixed-use development to contain residential and commercial uses. The plan calls for about 34.37 acres of general retail and office use, 24.38 acres of business park and mixed use, 1,991 townhouses and multi-family residences and about 2,600 hotel rooms by 2020. A large portion of the property, 126 acres±, is either recreational, wetland or greenbelt. Up to 4,500 residents are expected by the development's completion. Town houses are slated to go for between \$165,000 and \$175,000 to start. Currently the project has attracted big box retailers such as Target, Belk, JC Penney, Books a Million, PetsMart, Best Buy, Dick's Sporting Goods, Staples, and Michaels, which have all been opened. The first store to open was Target on March 9, 2008. The second phase of the development, which is currently on hold, is the "lifestyle" center phase which will include high end restaurants and a theater complex.

A luxury vacation home project known as *Tierra Del Sol* is planned in the Four Corners area along the east side of US Highway 27 approximately two miles south of the Polk/Lake County line. Tierra Del Sol will be a 122 acre resort consisting of 972 luxury vacation homes. It is reported that nearly 500 of the homes will be town homes, with the balance condominiums. American Leisure recently broke ground on the project with construction beginning in April 2007. Tierra Del Sol is aimed at the vacation investment market with the homes priced at \$300,000 and up. The first building constructed is the 100,000 square foot, three-story clubhouse as part of the \$43 million amenities package. Additional amenities will include casual and fine dining restaurants, a private theatre, shops, a spa and fitness center, a five-acre water park, swimming pools and sun terraces. This project has encountered financial difficulty due to the recession, and has halted construction.

## CONCLUSION

The subject property is located within the northeasterly portion of development in the Polk County area within the Haines City corporate limits. The neighborhood benefits from its close proximity to Disney World and the good linkage to Interstate 4 via US Highway 27. Therefore, it can be seen by this discussion that the subject neighborhood exhibits a wide variety of land use types. Into the foreseeable future, it can be expected that the subject neighborhood will continue its transition into a variety of land use types. Given the proximity to supporting facilities and solid transportation network which exists, we consider this area to be well positioned to capitalize upon future growth.

However, there are significant amounts of vacant land available for development. As such, land costs are relatively low compared to nearby Orange and Osceola Counties. There are several new and developing single-family residential subdivisions in the neighborhood and neighborhood area. As the growth pressures continue to expand westerly from Kissimmee and southwesterly from greater Orlando, this area should show continued signs of response with future demand for residential development. In addition, it is our opinion that the subject property itself is very well located within the subject neighborhood in order to capitalize upon these expected trends. The recent completion of the Southwest Connector of the Beltway is believed to be a catalyst for this region.

Overall, the subject neighborhood is considered to be in a transition stage to a long term growth cycle. Given the quantity of developable land in the area and the good transportation network which exists, we consider this segment of Polk County to be well-positioned to capitalize upon these future expectations. In addition, it is our opinion that the subject property itself is well-located within the subject neighborhood in order to capitalize upon these expected trends. However, the weak economy and overbuilt housing market has stagnated residential growth for any near term development. We conclude, therefore, with the expectation that the subject neighborhood will exhibit characteristics of economic stability overall into the foreseeable future.

Following is a presentation of demographics data from Site To Do Business.

## SITE TO DO BUSINESS MAP



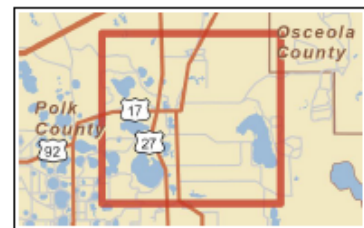
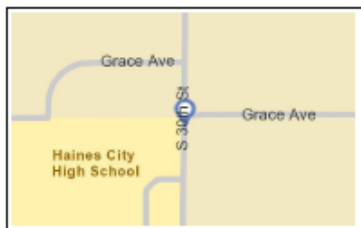
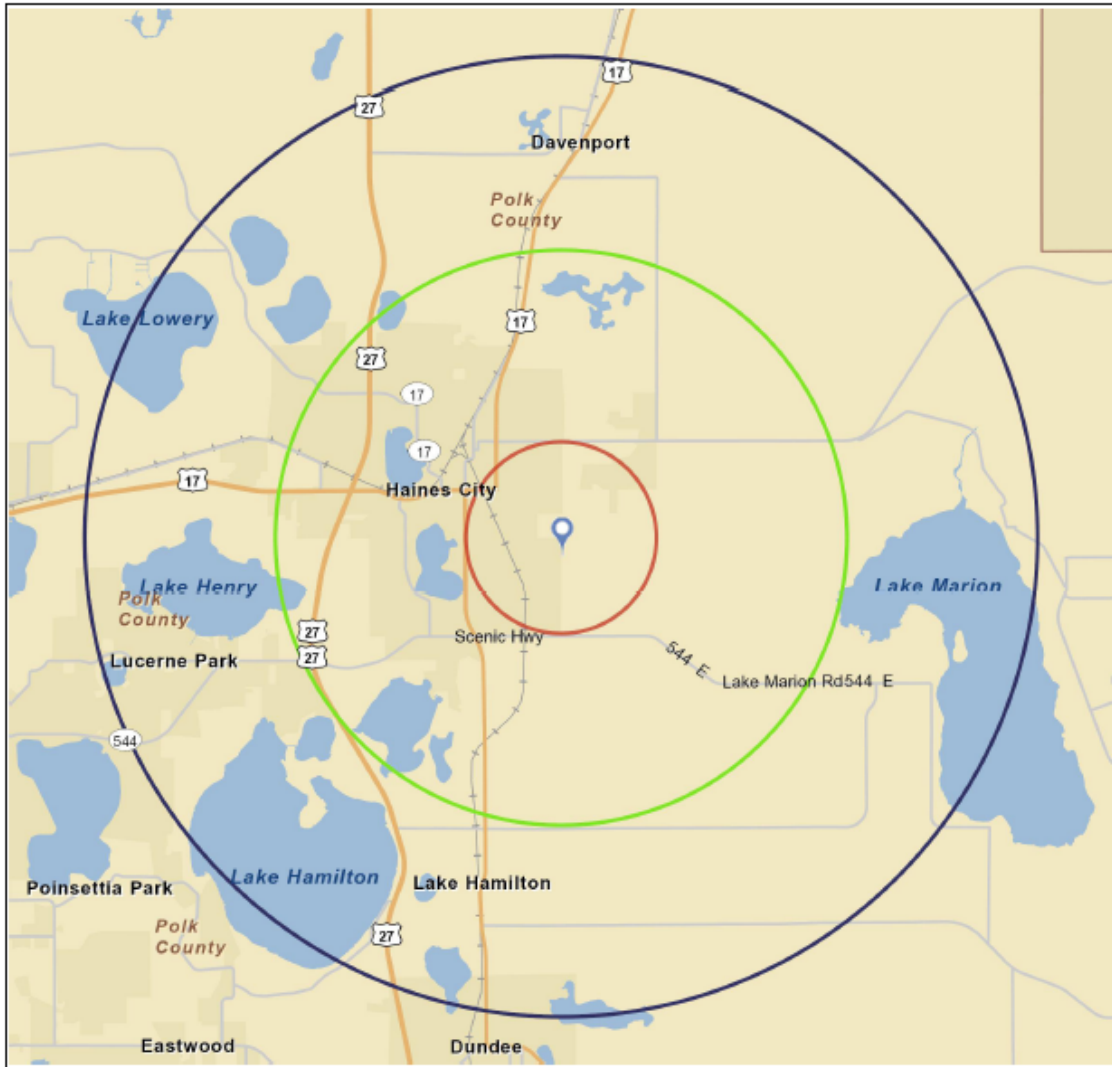
Bonnie's Landing  
S 30th St & E Grace Ave,  
Haines City, FL 33844

Site Type: Ring

### Site Map

Prepared by STDBonline

Latitude: 28.09946  
Longitude: -81.60681  
Rings: 1, 3, 5 Miles





## SITE TO DO BUSINESS DEMOGRAPHIC DATA



### Market Profile - Appraisal Version

Prepared by STDBOnline

Bonnies Landing		\$ 30th St & E Grace Ave	\$ 30th St & E Grace Ave	\$ 30th St & E Grace Ave
Latitude: 28.09946				
Longitude: -81.60681				
		Radius: 1 Miles	Radius: 3 Miles	Radius: 5 Miles
	2000 Total Population	3,734	18,225	32,217
	2000 Group Quarters	163	504	671
	2009 Total Population	4,646	22,415	42,644
	2014 Total Population	5,114	24,769	47,514
	2009 - 2014 Annual Rate	1.94%	2.02%	2.19%
	2000 Households	1,203	6,154	12,238
	2000 Average Household Size	2.97	2.88	2.58
	2009 Households	1,462	7,552	15,890
	2009 Average Household Size	3.08	2.9	2.64
	2014 Households	1,612	8,368	17,708
	2014 Average Household Size	3.08	2.9	2.64
	2009 - 2014 Annual Rate	1.97%	2.07%	2.19%
	2000 Families	879	4,519	8,975
	2000 Average Family Size	3.44	3.31	2.98
	2009 Families	1,039	5,391	11,372
	2009 Average Family Size	3.61	3.39	3.07
	2014 Families	1,127	5,878	12,481
	2014 Average Family Size	3.65	3.42	3.1
	2009 - 2014 Annual Rate	1.64%	1.74%	1.88%
	2000 Housing Units	1,297	7,958	16,589
	Owner Occupied Housing Units	46.5%	50.4%	56.0%
	Renter Occupied Housing Units	44.3%	26.2%	17.9%
	Vacant Housing Units	9.1%	23.5%	26.1%
	2009 Housing Units	1,615	10,294	22,603
	Owner Occupied Housing Units	45.8%	47.4%	52.3%
	Renter Occupied Housing Units	44.9%	26.0%	18.0%
	Vacant Housing Units	9.5%	26.6%	29.7%
	2014 Housing Units	1,780	11,469	25,240
	Owner Occupied Housing Units	45.1%	47.1%	52.3%
	Renter Occupied Housing Units	45.4%	25.8%	17.8%
	Vacant Housing Units	9.4%	27.1%	29.8%
	Median Household Income			
	2000	\$24,783	\$28,644	\$31,197
	2009	\$30,455	\$34,337	\$38,671
	2014	\$31,808	\$36,560	\$41,418
	Median Home Value			
	2000	\$57,000	\$54,751	\$55,202
	2009	\$92,034	\$86,561	\$87,500
	2014	\$111,117	\$102,981	\$104,351
	Per Capita Income			
	2000	\$11,591	\$14,005	\$15,848
	2009	\$13,252	\$16,330	\$19,306
	2014	\$13,828	\$17,113	\$20,083
	Median Age			
	2000	29.5	34.3	40.3
	2009	29.5	34.7	42.7
	2014	30.0	35.3	43.8

Data Note: Household population includes persons not residing in group quarters. Average Household Size is the household population divided by total households. Persons in families include the householder and persons related to the householder by birth, marriage, or adoption. Per Capita Income represents the income received by all persons aged 15 years and over divided by total population. Detail may not sum to totals due to rounding.

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI forecasts for 2009 and 2014. ESRI converted 1990 Census data into 2000 geography.



## Market Profile - Appraisal Version

Prepared by STDBOnline

Bonnies Landing

Latitude: 28.09946

Longitude: -81.60681

S 30th St & E Grace Ave

S 30th St & E Grace Ave

S 30th St & E Grace Ave

	Radius: 1 Miles	Radius: 3 Miles	Radius: 5 Miles
<b>2000 Households by Income</b>			
Household Income Base	1,247	6,124	12,154
< \$15,000	27.4%	23.9%	19.9%
\$15,000 - \$24,999	22.9%	18.9%	18.1%
\$25,000 - \$34,999	13.0%	17.7%	18.0%
\$35,000 - \$49,999	18.5%	16.2%	17.7%
\$50,000 - \$74,999	12.5%	14.3%	15.5%
\$75,000 - \$99,999	3.3%	4.9%	5.9%
\$100,000 - \$149,999	1.4%	2.0%	2.7%
\$150,000 - \$199,999	0.3%	0.7%	0.9%
\$200,000+	0.6%	1.3%	1.1%
Average Household Income	\$33,594	\$39,584	\$41,541
<b>2009 Households by Income</b>			
Household Income Base	1,464	7,551	15,888
< \$15,000	21.9%	19.1%	14.9%
\$15,000 - \$24,999	18.8%	15.5%	13.8%
\$25,000 - \$34,999	16.9%	16.5%	16.0%
\$35,000 - \$49,999	14.5%	17.6%	18.7%
\$50,000 - \$74,999	18.8%	18.8%	21.8%
\$75,000 - \$99,999	5.3%	6.2%	6.9%
\$100,000 - \$149,999	2.7%	3.6%	4.8%
\$150,000 - \$199,999	0.3%	1.1%	1.4%
\$200,000+	0.8%	1.6%	1.7%
Average Household Income	\$39,687	\$46,168	\$50,239
<b>2014 Households by Income</b>			
Household Income Base	1,611	8,367	17,708
< \$15,000	21.1%	18.6%	14.5%
\$15,000 - \$24,999	18.1%	14.9%	13.2%
\$25,000 - \$34,999	14.8%	14.2%	13.8%
\$35,000 - \$49,999	15.5%	18.6%	19.5%
\$50,000 - \$74,999	21.5%	20.7%	23.7%
\$75,000 - \$99,999	5.0%	6.0%	6.6%
\$100,000 - \$149,999	2.7%	3.8%	5.1%
\$150,000 - \$199,999	0.4%	1.3%	1.6%
\$200,000+	1.0%	1.8%	1.9%
Average Household Income	\$41,540	\$48,347	\$52,187
<b>2000 Owner Occupied HUs by Value</b>			
Total	587	4,120	9,360
<\$50,000	30.3%	41.7%	43.1%
\$50,000 - 99,999	56.2%	41.7%	39.5%
\$100,000 - 149,999	6.3%	9.0%	10.2%
\$150,000 - 199,999	3.7%	4.6%	3.9%
\$200,000 - \$299,999	2.0%	2.0%	2.2%
\$300,000 - 499,999	1.2%	0.8%	0.8%
\$500,000 - 999,999	0.2%	0.1%	0.2%
\$1,000,000+	0.0%	0.0%	0.1%
Average Home Value	\$70,958	\$70,179	\$70,871
<b>2000 Specified Renter Occupied HUs by Contract Rent</b>			
Total	600	2,026	2,878
With Cash Rent	97.5%	94.9%	93.8%
No Cash Rent	2.5%	5.1%	6.2%
Median Rent	\$348	\$344	\$353
Average Rent	\$325	\$336	\$351

Data Note: Income represents the preceding year, expressed in current dollars. Household Income includes wage and salary earnings, interest, dividends, net rents, pensions, SSI and welfare payments, child support and alimony. Specified Renter Occupied HUs exclude houses on 10+ acres. Average Rent excludes units paying no cash rent.

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI forecasts for 2009 and 2014.



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Prepared by STDBonline

Bonnies Landing

Latitude: 28.09946

Longitude: -81.60681

S 30th St & E Grace Ave


S 30th St & E Grace Ave

S 30th St & E Grace Ave

Radius: 1 Miles

Radius: 3 Miles

Radius: 5 Miles

	2000 Population by Age			
	Total	3,731	18,226	32,215
	0 - 4	9.0%	7.7%	6.5%
	5 - 9	8.8%	7.9%	6.7%
	10 - 14	8.4%	7.7%	6.7%
	15 - 19	8.8%	8.3%	6.9%
	20 - 24	8.2%	6.9%	5.7%
	25 - 34	14.4%	12.4%	10.9%
	35 - 44	13.6%	13.4%	12.1%
	45 - 54	8.9%	9.7%	9.7%
	55 - 64	6.6%	9.1%	11.1%
	65 - 74	6.0%	9.5%	13.4%
	75 - 84	5.1%	6.0%	8.4%
	85+	2.1%	1.5%	1.8%
18+	68.5%	71.7%	75.9%	
2009 Population by Age				
Total	4,644	22,416	42,644	
0 - 4	9.6%	8.1%	6.7%	
5 - 9	8.7%	7.7%	6.4%	
10 - 14	7.7%	7.0%	6.1%	
15 - 19	8.0%	7.3%	6.1%	
20 - 24	8.2%	6.8%	5.5%	
25 - 34	16.1%	13.4%	11.1%	
35 - 44	12.2%	11.3%	10.6%	
45 - 54	11.3%	12.1%	11.8%	
55 - 64	7.5%	10.0%	11.8%	
65 - 74	4.6%	8.3%	12.1%	
75 - 84	4.1%	6.0%	8.9%	
85+	2.1%	2.0%	2.8%	
18+	69.3%	72.8%	77.0%	
2014 Population by Age				
Total	5,114	24,771	47,515	
0 - 4	9.5%	8.0%	6.5%	
5 - 9	9.0%	7.8%	6.5%	
10 - 14	8.1%	7.3%	6.3%	
15 - 19	7.4%	6.8%	5.7%	
20 - 24	8.1%	6.8%	5.4%	
25 - 34	15.8%	13.1%	10.8%	
35 - 44	12.3%	11.0%	10.0%	
45 - 54	10.6%	11.0%	11.0%	
55 - 64	8.6%	11.3%	12.8%	
65 - 74	5.1%	9.2%	13.1%	
75 - 84	3.6%	5.7%	8.8%	
85+	1.9%	2.1%	3.1%	
18+	68.9%	72.9%	77.3%	
2000 Population by Sex				
Males	48.5%	49.7%	49.4%	
Females	51.5%	50.3%	50.6%	
2009 Population by Sex				
Males	49.8%	49.9%	49.4%	
Females	50.2%	50.1%	50.6%	
2014 Population by Sex				
Males	50.1%	50.0%	49.5%	
Females	49.9%	50.0%	50.5%	

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI forecasts for 2009 and 2014.

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**CLAYTON, ROPER & MARSHALL**



## Market Profile - Appraisal Version

Prepared by STDBOnline

Bonnies Landing

S 30th St & E Grace Ave

S 30th St & E Grace Ave

S 30th St & E Grace Ave

Latitude: 28.09946

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Radius: 1 Miles

Radius: 3 Miles

Radius: 5 Miles



### 2009 Population 15+ by Marital Status

Total	3,439	17,308	34,436
Never Married	29.7%	27.6%	23.2%
Married	48.8%	54.7%	59.7%
Widowed	9.3%	7.8%	7.9%
Divorced	12.2%	9.9%	9.2%



### 2000 Population 16+ by Employment Status

Total	2,641	13,588	25,178
In Labor Force	61.4%	59.2%	52.9%
Civilian Employed	56.1%	54.7%	49.2%
Civilian Unemployed	5.2%	4.5%	3.7%
In Armed Forces	0.1%	0.0%	0.0%
Not in Labor Force	38.6%	40.8%	47.1%

### 2009 Civilian Population 16+ in Labor Force

Civilian Employed	84.3%	85.7%	86.6%
Civilian Unemployed	15.7%	14.3%	13.4%

### 2014 Civilian Population 16+ in Labor Force

Civilian Employed	90.4%	91.4%	91.7%
Civilian Unemployed	9.6%	8.6%	8.3%

### 2000 Females 16+ by Employment Status and Age of Children

Total	1,414	6,890	12,829
Own Children < 6 Only	10.4%	7.7%	6.3%
Employed/in Armed Forces	8.0%	5.3%	4.1%
Unemployed	1.6%	0.6%	0.5%
Not in Labor Force	0.8%	1.8%	1.6%
Own Children < 6 and 6-17 Only	10.7%	7.1%	5.9%
Employed/in Armed Forces	5.2%	3.6%	2.9%
Unemployed	0.9%	0.8%	0.6%
Not in Labor Force	4.6%	2.7%	2.3%
Own Children 6-17 Only	16.3%	15.3%	13.0%
Employed/in Armed Forces	12.2%	10.9%	9.4%
Unemployed	0.6%	0.4%	0.3%
Not in Labor Force	3.5%	4.0%	3.3%
No Own Children < 18	62.6%	69.9%	74.9%
Employed/in Armed Forces	23.0%	28.8%	25.9%
Unemployed	1.7%	2.5%	2.0%
Not in Labor Force	37.9%	38.6%	47.0%

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI forecasts for 2009 and 2014.



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S 30th St & E Grace Ave

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Radius: 1 Miles

Radius: 3 Miles

Radius: 5 Miles



### 2009 Employed Population 16+ by Industry

Total	1,701	8,224	15,035
Agriculture/Mining	5.3%	7.5%	5.9%
Construction	13.2%	12.2%	12.1%
Manufacturing	3.7%	4.1%	4.0%
Wholesale Trade	2.4%	3.1%	3.2%
Retail Trade	10.5%	11.6%	12.3%
Transportation/Utilities	2.6%	3.4%	4.1%
Information	1.7%	1.3%	1.1%
Finance/Insurance/Real Estate	2.6%	3.6%	4.9%
Services	53.8%	50.1%	49.3%
Public Administration	4.2%	3.0%	3.2%

### 2009 Employed Population 16+ by Occupation

Total	1,700	8,222	15,035
White Collar	31.5%	35.5%	39.6%
Management/Business/Financial	6.2%	5.8%	7.4%
Professional	8.5%	9.9%	11.0%
Sales	9.1%	10.4%	11.3%
Administrative Support	7.6%	9.4%	9.9%
Services	37.2%	32.1%	29.5%
Blue Collar	31.2%	32.3%	30.9%
Farming/Forestry/Fishing	4.9%	6.8%	4.7%
Construction/Extraction	12.8%	11.5%	11.3%
Installation/Maintenance/Repair	3.6%	3.3%	4.0%
Production	4.6%	4.3%	4.0%
Transportation/Material Moving	5.3%	6.4%	6.9%



### 2000 Workers 16+ by Means of Transportation to Work

Total	1,461	7,310	12,166
Drove Alone - Car, Truck, or Van	60.6%	62.5%	66.5%
Carpooled - Car, Truck, or Van	31.6%	30.2%	26.8%
Public Transportation	1.1%	1.5%	1.2%
Walked	4.1%	2.0%	1.6%
Other Means	1.3%	2.1%	2.4%
Worked at Home	1.3%	1.6%	1.5%

### 2000 Workers 16+ by Travel Time to Work

Total	1,460	7,311	12,166
Did Not Work at Home	98.7%	98.4%	98.5%
Less than 5 minutes	4.0%	2.6%	2.3%
5 to 9 minutes	11.8%	11.8%	9.5%
10 to 19 minutes	16.4%	22.0%	24.0%
20 to 24 minutes	9.5%	10.5%	12.1%
25 to 34 minutes	22.9%	21.8%	22.1%
35 to 44 minutes	16.7%	10.6%	10.1%
45 to 59 minutes	8.9%	9.8%	9.7%
60 to 89 minutes	6.2%	6.4%	6.0%
90 or more minutes	2.5%	2.9%	2.6%
Worked at Home	1.3%	1.6%	1.5%

Average Travel Time to Work (in min)

	29.0	28.5	28.3
--	------	------	------

### 2000 Households by Vehicles Available

Total	1,189	6,175	12,267
None	13.3%	12.1%	8.6%
1	44.4%	43.4%	48.9%
2	29.4%	32.7%	31.6%
3	8.7%	9.0%	8.3%
4	3.5%	1.8%	1.7%
5+	0.8%	1.0%	0.8%
Average Number of Vehicles Available	1.5	1.5	1.5

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI forecasts for 2009.



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S 30th St & E Grace Ave

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S 30th St & E Grace Ave

Radius: 1 Miles

Radius: 3 Miles

Radius: 5 Miles



### 2000 Households by Type

Total	1,202	6,155	12,237
Family Households	73.0%	73.4%	73.3%
Married-couple Family	46.3%	51.7%	57.1%
With Related Children	26.0%	22.4%	18.6%
Other Family (No Spouse)	26.8%	21.7%	16.2%
With Related Children	20.4%	15.3%	11.0%
Nonfamily Households	27.0%	26.6%	26.7%
Householder Living Alone	22.5%	21.6%	22.1%
Householder Not Living Alone	4.5%	5.0%	4.6%
Households with Related Children	46.4%	37.6%	29.6%
Households with Persons 65+	24.8%	33.5%	41.6%

### 2000 Households by Size

Total	1,203	6,154	12,238
1 Person Household	22.4%	21.6%	22.1%
2 Person Household	25.7%	34.0%	42.3%
3 Person Household	18.5%	16.1%	13.1%
4 Person Household	15.4%	13.0%	10.8%
5 Person Household	7.6%	7.3%	5.9%
6 Person Household	5.1%	4.1%	3.0%
7+ Person Household	5.2%	3.9%	2.9%

### 2000 Households by Year Householder Moved In

Total	1,190	6,174	12,268
Moved in 1999 to March 2000	22.9%	20.0%	17.9%
Moved in 1995 to 1998	28.7%	30.2%	30.7%
Moved in 1990 to 1994	23.4%	18.5%	19.4%
Moved in 1980 to 1989	14.1%	14.8%	18.1%
Moved in 1970 to 1979	4.5%	6.6%	6.8%
Moved in 1969 or Earlier	6.3%	9.9%	7.1%
Median Year Householder Moved In	1995	1995	1995



### 2000 Housing Units by Units in Structure

Total	1,309	8,053	16,535
1, Detached	52.3%	51.7%	43.2%
1, Attached	4.9%	3.5%	2.6%
2	10.7%	5.2%	3.1%
3 or 4	13.3%	5.4%	2.9%
5 to 9	5.0%	2.7%	1.7%
10 to 19	0.5%	0.4%	0.2%
20+	4.5%	2.3%	1.2%
Mobile Home	8.2%	27.7%	43.3%
Other	0.6%	1.1%	1.9%

### 2000 Housing Units by Year Structure Built

Total	1,281	7,973	16,584
1999 to March 2000	1.7%	3.3%	4.0%
1995 to 1998	5.1%	13.0%	13.8%
1990 to 1994	8.9%	8.7%	11.6%
1980 to 1989	26.4%	23.2%	30.4%
1970 to 1979	24.1%	17.9%	16.2%
1969 or Earlier	33.8%	34.0%	24.0%
Median Year Structure Built	1977	1979	1983

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing.





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Radius: 5 Miles



### 2000 Population 3+ by School Enrollment

Total	3,513	17,383	30,911
Enrolled in Nursery/Preschool	2.4%	1.6%	1.3%
Enrolled in Kindergarten	1.1%	1.8%	1.4%
Enrolled in Grade 1-8	15.8%	13.7%	11.8%
Enrolled in Grade 9-12	6.2%	6.4%	5.3%
Enrolled in College	1.5%	2.0%	1.9%
Enrolled in Grad/Prof School	0.0%	0.4%	0.3%
Not Enrolled in School	72.9%	74.3%	78.0%

### 2009 Population 25+ by Educational Attainment

Total	2,687	14,136	29,496
Less than 9th Grade	18.6%	15.3%	10.5%
9th - 12th Grade, No Diploma	21.4%	19.9%	17.0%
High School Graduate	28.6%	33.3%	36.6%
Some College, No Degree	16.0%	15.8%	18.0%
Associate Degree	5.2%	4.5%	5.1%
Bachelor's Degree	6.3%	7.7%	8.7%
Graduate/Professional Degree	3.9%	3.6%	4.1%

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI forecasts for 2009.



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Radius: 1 Miles

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Radius: 5 Miles

### Top 3 Tapestry Segments

1.	City Dimensions	Modest Income Homes	Senior Sun Seekers
2.	Industrious Urban Frin	Senior Sun Seekers	The Elders
3.	Rooted Rural	Industrious Urban Frin	Rooted Rural



**2009 Consumer Spending** shows the amount spent on a variety of goods and services by households that reside in the market area. Expenditures are shown by broad budget categories that are not mutually exclusive. Consumer spending does not equal business revenue.

Apparel & Services: Total \$	\$1,528,312	\$8,709,765	\$19,124,057
Average Spent	\$1,045.36	\$1,153.31	\$1,203.53
Spending Potential Index	42	46	48
Computers & Accessories: Total \$	\$191,058	\$1,096,556	\$2,453,346
Average Spent	\$130.68	\$145.20	\$154.40
Spending Potential Index	57	64	68
Education: Total \$	\$1,038,782	\$5,466,418	\$11,544,508
Average Spent	\$710.52	\$723.84	\$726.53
Spending Potential Index	57	58	58
Entertainment/Recreation: Total \$	\$2,623,708	\$15,968,531	\$37,345,744
Average Spent	\$1,794.60	\$2,114.48	\$2,350.27
Spending Potential Index	55	65	73
Food at Home: Total \$	\$4,030,927	\$23,715,358	\$53,358,957
Average Spent	\$2,757.13	\$3,140.28	\$3,358.02
Spending Potential Index	60	69	74
Food Away from Home: Total \$	\$2,849,887	\$16,650,554	\$37,104,215
Average Spent	\$1,949.31	\$2,204.79	\$2,335.07
Spending Potential Index	59	66	70
Health Care: Total \$	\$3,009,969	\$20,228,660	\$50,208,315
Average Spent	\$2,058.80	\$2,678.58	\$3,159.74
Spending Potential Index	55	71	84
HH Furnishings & Equipment: Total \$	\$1,540,871	\$9,411,356	\$21,870,453
Average Spent	\$1,053.95	\$1,246.21	\$1,376.37
Spending Potential Index	48	57	63
Investments: Total \$	\$962,758	\$6,693,150	\$18,027,390
Average Spent	\$658.52	\$886.28	\$1,134.51
Spending Potential Index	46	62	79
Retail Goods: Total \$	\$20,398,837	\$125,452,819	\$290,476,503
Average Spent	\$13,952.69	\$16,611.87	\$18,280.46
Spending Potential Index	54	65	71
Shelter: Total \$	\$13,143,456	\$74,744,542	\$167,126,928
Average Spent	\$8,990.05	\$9,897.32	\$10,517.74
Spending Potential Index	58	63	67
TV/Video/Sound Equipment: Total \$	\$1,040,546	\$6,199,546	\$13,923,702
Average Spent	\$711.73	\$820.91	\$876.26
Spending Potential Index	59	68	72
Travel: Total \$	\$1,402,333	\$8,494,514	\$20,476,200
Average Spent	\$959.19	\$1,124.80	\$1,288.62
Spending Potential Index	52	61	70
Vehicle Maintenance & Repairs: Total \$	\$777,974	\$4,765,100	\$11,076,832
Average Spent	\$532.13	\$630.97	\$697.09
Spending Potential Index	57	67	74

**Data Note:** The Spending Potential Index represents the amount spent in the area relative to a national average of 100.

**Source:** Consumer Spending data are derived from the 2005 and 2006 Consumer Expenditure Surveys, Bureau of Labor Statistics.



## FLORIDA CONCURRENCY LAW

### **COUNTY AND MUNICIPAL PLANNING AND LAND DEVELOPMENT REGULATION ACT: CHAPTER 163, FLORIDA STATUTES**

The County and Municipal Planning and Land Development Regulation Act, which is commonly referred to as the "Growth Management Act", limits and controls Florida's future growth to levels acceptable to natural, environmental, political, social, and human tolerances. Simply stated, no city or county may issue building permits to developers or allow general real estate growth and development:

- 1) ahead of existing public infrastructure (i.e., transportation, streets, water supplies, sewage treatment and disposal, schools, social services, health services, etc); or
- 2) in advance of approved planned and funding of such public facilities.

The statute requires all city and county comprehensive plans to provide "basic service levels" for the:

- public schools;
- future land use;
- traffic circulation, roads, and mass transportation, if applicable;
- natural ground water recharge, potable water, drainage, sanitary sewer treatment, and solid waste management and disposal;
- conservation and natural environmental impact;
- open spaces and recreation facilities;
- housing;
- intergovernmental coordination; and
- capital improvement.

All cities and counties are required to submit updated comprehensive plans to the Department of Community Affairs (DCA), which is the state agency responsible for the evaluation and approval of the revised plans. The plans must provide for "concurrency rules" that growth, zoning, and building permits must be kept in line with existing infrastructure facilities, existing and approved plans for future facilities, and developer commitment or local budget existing for development of future facilities in compliance with present and future "levels of service" and environmental tolerances.

Once a plan is reviewed and accepted by the state, local governments must adopt a Land Development Regulation (LDR) to implement the plan. When the LDR is in place, no development order or permit may be issued by a local government unless the project is consistent with the plan and the LDR.

Concurrency requires that within one year after a local plan is required to be submitted to DCA, public facilities and services, meeting or exceeding the levels of service established in the capital improvement element of the plan, must be available concurrent with the actual impact of any development.

Central Florida developable properties are presently in a transitional stage. A determination of which properties enjoy "vested" development rights has not been determined. It is likely that properties constructed prior to the date of adoption of the comprehensive plan and those with DRI are vested. Other properties are not guaranteed. If adequate services and public facilities are available, then it is likely a building permit is obtainable.

Our estimate of market value within this report is predicated upon the assumption that the subject property is in conformance with concurrency laws thus enabling the subject property to be utilized to its highest and best use.

## PROPERTY IDENTIFICATION AND SITE DESCRIPTION

### LOCATION

The subject is located at the southeast quadrant of 30<sup>th</sup> Street and Grace Avenue within the City of Haines City, Polk County, Florida.

### LEGAL DESCRIPTION

The following legal description was obtained from a Site Plan prepared by Knight Engineering Consultants, Inc. of Clermont, Florida. The Site Plan was dated December 8, 2003 with the Project Number 105-09. No responsibility is assumed for legal or title considerations.

Legal Description as furnished:

The West 1/2 of the Northeast 1/4 of the Northwest 1/4 of Section 34, Township 27 South, Range 27 East, and the East 1/2 of the Northeast 1/4 of the Northwest 1/4 of Section 34, Township 27 South, Range 27 East, and the West 1/2 of the Northwest 1/4 of the Northwest 1/4 of Section 34, Township 27 South, Range 27 East, and the East 1/2 of the Northwest 1/4 of the Northwest 1/4 of Section 34, Township 27 South, Range 27 East, Polk County, Florida, Less road rights of way.

### CONFIGURATION AND SIZE

The subject site is rectangular in shape with the configuration best observed by the aerial photograph, maps and other exhibits included within this appraisal report. The subject consists of 78.36 acres of land area proposed for the development of 247 single-family home sites. Your attention is directed to the *Concept Plan* exhibit for a complete illustration of the subject property.

### ROAD FRONTAGE/ ACCESS CHARACTERISTICS

Access to the subject property is provided on the east side of 30<sup>th</sup> Street, which runs in a north/south orientation and intersects with Robinson Drive to the south of the subject and Grace Avenue to the north of the subject property. The subject property is approximately one mile north of State Road 544 and approximately three miles east of US Highway 27. Overall, access to the subject property is considered to be good.

## UTILITIES

Tim Tippery, with the City of Haines City Utilities Department ((863) 421-3695), stated the owner, Tollefson Development, has purchased water and sewer permitting for the subject property. He further stated the owner began work to place water and sewer lines on the subject property, bringing in the necessary piping and equipment. Mr. Tippery said not long after supplies were delivered to the site, construction was placed on hold due to the decline in the residential real estate market. Since this time, the supplies have been left on the site (see *Subject Photographs*). The owner was contacted about the theft of man-hole covers and piping from the property.

Within the City of Haines City, water permits have a one year life, while storm water/sewer permits have a five year life. Both of these permits have an extension available upon request. Mr. Tippery stated the owner would have to reapply for a new water permit because the owner never inquired about an extension. We also spoke with David Barnes of the City of Haines City Utilities Department on May 4, 2010 and he stated that the sewer permit would expire March 26, 2011.

Currently On Site:	Water:	None – Water Permit Expired
	Sewer:	None – Available
Available for Future Development:	Water:	City of Haines City
	Sewer:	City of Haines City

## REAL ESTATE TAX INFORMATION

The subject property is currently assessed for ad valorem taxes by Polk County, Florida. The assessment for real estate tax purposes is made as of January 1 of each year. The County Commission sets the millage rate to be used in calculating the tax bill in September or October of each year. The County Tax Collector issues the tax bills providing for a 4% discount for payment in November, a 3% discount for payment in December, a 2% discount for payment in January and a 1% discount for payment in February. All tax bills are delinquent after March 31 of each year.

According to the Polk County Tax Collector's office, the 2008 and 2009 taxes assessed on the subject parcels have not been paid. The subject taxes are currently delinquent in the amount of \$18,643.51. There were no other delinquent unpaid taxes reported on the subject property. As the subject property is platted and developed in the future (as proposed), the taxes on the subject property will substantially increase. The following chart details the 2008 and 2009 tax information for the subject property.

SUBJECT TAX INFORMATION 2008								
Parcel Number	Current Owner	Just Market Value	Tax Value	Millage Rate	Ad Valorem Taxes	Non Ad Valorem Taxes	Total Taxes	If Paid by 5/31/2010
27-27-34-000000-031010	Tollefson Development of Florida, Inc.	\$99,670	\$99,670	22.0598	\$2,198.69	\$0.00	\$2,198.69	\$2,862.61
27-27-34-000000-031020	Tollefson Development of Florida, Inc.	\$100,350	\$100,350	22.0598	\$2,213.70	\$0.00	\$2,213.70	\$2,882.05
27-27-34-000000-033010	Tollefson Development of Florida, Inc.	\$86,086	\$86,086	22.0598	\$1,899.04	\$0.00	\$1,899.04	\$2,474.64
27-27-34-000000-033030	Tollefson Development of Florida, Inc.	\$105,240	\$105,240	22.0598	\$2,321.58	\$0.00	\$2,321.58	\$3,021.72
<b>Totals</b>		<b>\$391,346</b>	<b>\$391,346</b>	<b>22.0598</b>	<b>\$8,633.01</b>	<b>\$0.00</b>	<b>\$8,633.01</b>	<b>\$11,241.02</b>
SUBJECT TAX INFORMATION 2009								
Parcel Number	Current Owner	Just Market Value	Total Assessed Value	Millage Rate	Ad Valorem Taxes	Non Ad Valorem Taxes	Total Taxes	If Paid by 5/26/2010
27-27-34-000000-031010	Tollefson Development of Florida, Inc.	\$83,886	\$83,886	22.0118	\$1,846.48	\$0.00	\$1,846.48	\$1,901.99
27-27-34-000000-031020	Tollefson Development of Florida, Inc.	\$84,294	\$84,294	22.0118	\$1,855.48	\$0.00	\$1,855.48	\$1,911.26
27-27-34-000000-033010	Tollefson Development of Florida, Inc.	\$70,070	\$70,070	22.0118	\$1,542.37	\$0.00	\$1,542.37	\$1,588.76
27-27-34-000000-033030	Tollefson Development of Florida, Inc.	\$88,230	\$88,230	22.0118	\$1,942.10	\$0.00	\$1,942.10	\$2,000.48
<b>Totals</b>		<b>\$326,480</b>	<b>\$326,480</b>	<b>22.0118</b>	<b>\$7,186.43</b>	<b>\$0.00</b>	<b>\$7,186.43</b>	<b>\$7,402.49</b>
<b>TOTAL TAXES DUE</b>								<b>\$18,643.51</b>

## FIVE-YEAR HISTORY

According to the records of the Polk County Property Appraiser, the subject is currently under the ownership of Tollefson Development of Florida, Inc. The four subject parcels were transferred on February 3, 2006, for a consideration of \$1,919,600 as recorded in O.R. Book 6625, Page 0595, Polk County, Florida. The grantor is listed as Louis H. and Joan H. McTeer and Harold B. and Mary H. McTeer. This sale price reflects a price of approximately \$24,497 per acre or \$7,772 per proposed lot.

The above mentioned transaction is believed to be slightly lower than our opinion of market value for the subject property. Within the years of 2003-2006, the residential real estate market experienced significant increases in property value before reaching a peak in mid-2006 and suffering major declines. The property was purchased at the height of the market in 2006. Since the acquisition of the subject, the owners have gained approvals and cleared the property, which adds significant value to the subject. However, based on the decline in the residential real estate market and the current recessionary period, we believe these enhancements only slightly increase the value of the subject property from the 2006 acquisition price.

Matthew Weiland, with Tollefson Development, stated the subject property is listed for sale or for development. He further stated that if an interested party were to approach them they would develop the property for the interested user. The property was previously listed for sale with Richard Miles of Haven Realty Services (863-292-8429) for a consideration of \$3,201,400 or \$12,961 per unit. As of

May 3, 2010, Mr. Miles stated that while his sign is still on the subject property, he is not marketing the site and has no current asking price, as the listing agreement has been cancelled. Mr. Miles stated the property was initially listed on January 6, 2009 with a “bring all offers” marketing plan. He was later informed by the owner that a short sale would be considered. Mr. Miles stated he has not supportively marketed the subject property due to the high listing price. He further commented the price was too high for prospective buyers in the current market.

Clayton, Roper & Marshall, Inc. previously appraised the subject property on October 30, 2008 as CRM File No. 08-334 and also on May 30, 2009 as CRM File No. 09-169U. In our 2008 appraisal, we valued the “as is” market value of the subject property at \$2,500,000 or \$10,121 per lot, and in our 2009 appraisal we valued the “as is” market value of the subject property at \$2,220,000 or \$8,988 per lot. Since the date of our previous appraisals, the residential real estate market has continued to see declines with an inventory surplus and a virtually nonexistent demand. Other national and global economic factors have influenced prospective buyers. As detailed in the *Polk County Single Family Market Overview* section of this report, we believe the value of the subject property to be lower than the previously appraised value of \$2,220,000 due to these current economic conditions.

The information contained within this *Five Year History* section is assumed to be accurate and correct. This information is not to be construed as a title search or a report of title. Our office renders no opinion to title, which is assumed to be good and marketable.

## **ZONING AND FUTURE LAND USE**

The subject property is currently zoned RPUD (Residential Planned Unit Development), by the City of Haines City. The subject has a future land use of low density residential which allows for a maximum density of 5 dwelling units per acre. The site is proposed for the development of 247 single-family residential units, resulting in a density of 3.15 dwelling units per acre. The proposed development density is within the allowable density.

## **EASEMENTS AND ENCUMBRANCES**

The appraisers were not supplied with a title search or commitment for title insurance for the subject property. Based upon research and physical inspection, it was noted that the eastern parcel (27-27-34-000000-031010) of the subject site is encumbered by a Florida Power Distribution Easement. This

easement is considered to have no impact on the development potential or market value of the subject property. The following is the easement description taken from Polk County Public Records Book 3685, Page 0451 dated May 31, 1996.

**A 10 foot wide Easement Area defined as comprising lying 5 feet on each side of the centerline of Grantees facilities as designed and installed at mutually agreed upon locations on the following described property as described on attached hereto incorporated herein and by this reference made a part hereof.**

**E 1/2 of the NE 1/4 of NW 1/4 of Section 34, Township 27S, Range 27E.**

The appraisers are not aware of any other easements, encumbrances or restrictions which would have a measurable impact on the market value or marketability of the subject property.

## **ENTITLEMENT / APPROVALS**

On January 18, 2006 the City of Haines City approved the Site Construction Plan for Bonnie's Landing. The Plan proposed 247 single-family residential lots on approximately 78.36 acres. The property is zoned RPUD and was approved for a living area of 1,700 square feet with lot sizes ranging from 6,600 to 10,700 square feet. The subject had water and sewer approvals from the City of Haines City, according to Joseph Sortland, Planner 1 for the City of Haines City (see *Utilities* for further explanation). Mr. Sortland stated the property is ready to begin site construction of streets and infrastructure. The following page contains the letter for the site construction approvals.

On May 5, 2010, we spoke with the city planner, Heath Fordyce (863-421-3600 ext. 5139), who signed the following approval letter for the subject property. He stated that the zoning approvals and standards are still in place because the project was previously approved, but the construction plans have expired. He stated that if the property were to be developed as previously approved, construction plans would have to be re-reviewed.



**CITY OF HAINES CITY**  
*Office of the Director of Community Development*  
*Post Office Box 1507 Haines City, Florida 33845*  
*(863) 419-3230 – telephone / (863) 419-3168 - facsimile*

January 18, 2006

Arvid Tollefson  
Tollefson Development  
1735 East Highway 50, Suite C  
Clermont, Florida 32711

Mr. Tollefson,

After reviewing the Site Construction Plans for Bonnies Landing subdivision there are no further comments from the City of Haines City. This letter approves the project. Bonnies Landing may start construction on the site.

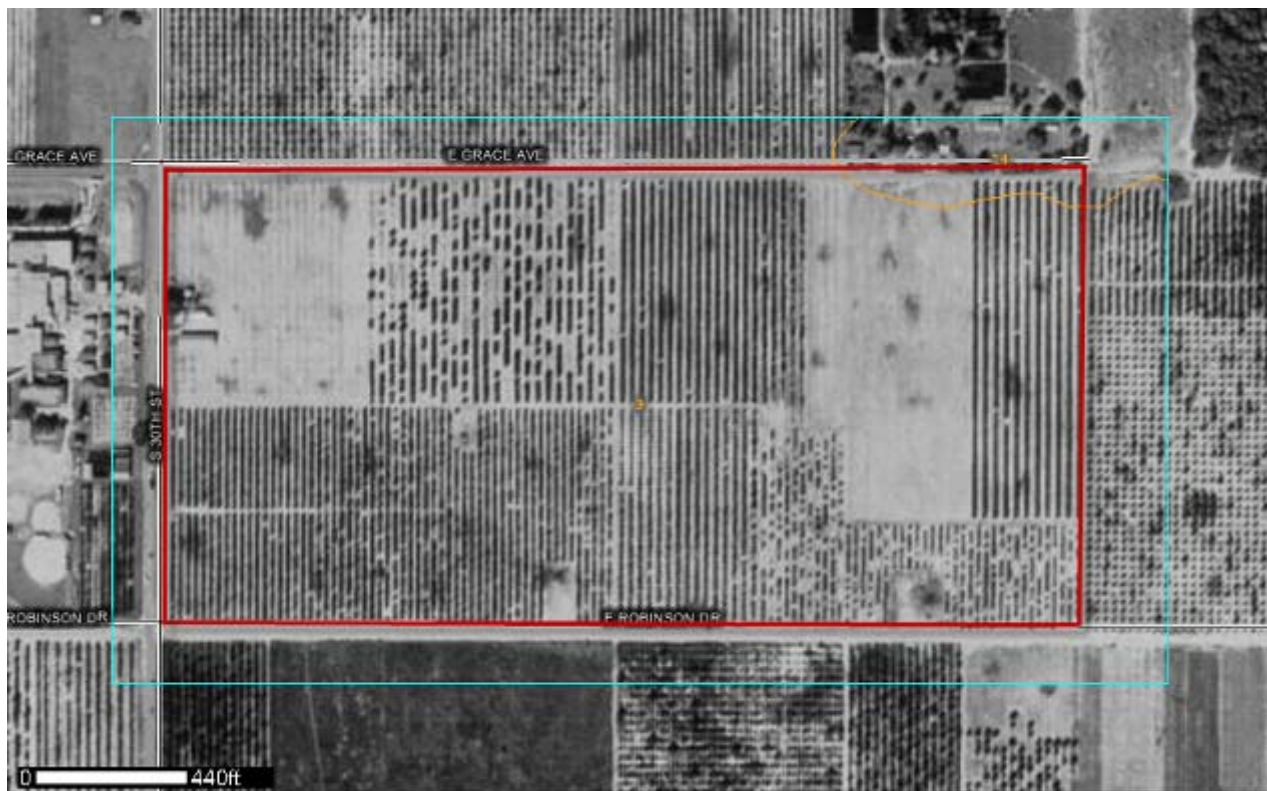
Sincerely,

Heath Fordyce  
City of Haines City  
City Planner I

## SOIL CLASSIFICATIONS

According to the Natural Resource Conservation Service (NRCS), the subject site is comprised of two different soil types. A Soils Map follows, identifying the two soil types and their composition to the overall site. We assume that the soil conditions will support the development "as proposed," and that no excessive costs will be incurred for any potential soil problems. Following the soils map is a summary of the soil types and their specific soil characteristics.

### NRCS SOILS MAP



Polk County, Florida (FL105)			
Map Unit Symbol	Map Unit Name	Acres in AOI	Percent of AOI
3	Candler sand, 0 to 5 percent slopes	107.6	95.7%
14	Sparr sand, 0 to 5 percent slopes	4.8	4.3%
Totals for Area of Interest (AOI)		112.4	100.0%



**Candler Sand (3)** can be described as an excessively drained soil located in the uplands, knolls and flatwoods. The seasonal high water table is more than 80 inches from the surface. The natural vegetation includes turkey oak, post oak, live oak, sand pine, longleaf pine and slash pine with an understory of indiangrass, pineland threeawn, hairy panicum and annual forbs. Only a few crops produce good yields without irrigation. Irrigation is generally feasible where water is readily available. This soil is moderately suited for improved pasture and deep rooted plants such as coastal bermudagrass and bahiagrass. The soil only has slight limitations in regards to building development.

**Sparr Sand (14)** consists of very deep, somewhat poorly drained, moderately slowly permeable soil on uplands of coastal plains. Most areas of Sparr soils are used for corn, citrus, peanuts, watermelons, truck crop and tame pastures. Native vegetation consists of longleaf pine, slash pine, loblolly pine, magnolia, dogwood, hickory and live oak, laurel oak and water oak. The water table depth is at 20 to 40 inches for period of 1 to 4 months.

## TOPOGRAPHY AND SOIL

The elevations of the subject site range from approximately 116 feet to approximately 181 feet above sea level. In general, the subject site is relatively level. The site has had moderate grading to allow for residential home sites on the subject property. There appear to be no apparent conditions of the subject site which would render it more or less valuable

### TOPOGRAPHY MAP



## FLOOD HAZARD STATEMENT

According to the Federal Emergency Management Agency's Flood Hazard Boundary Map, Community Panel Number 12105C0380F, having an effective date of December 20, 2000, the subject property appears to be located within a non-flood hazard area, **Zone X**.

**Zone X** is the flood insurance rate zone that corresponds to areas outside the 1% annual chance floodplain areas of 1% annual chance sheet flow flooding where average depths are less than 1 foot, area of 1% annual chance stream flooding where the contributing drainage area is less than 1 square mile, or areas protected from the 1% annual chance flood by levees. No Base Flood Elevations or depths are shown within this zone. Insurance purchase is not recommended for these zones.

## ENVIRONMENTAL / HAZARDOUS SUBSTANCES

The appraisers have not been provided with an environmental or hazardous substance assessment. In the past, the subject property was used for agricultural crop land consisting of a citrus grove. We recommend the owner/developer obtain an environmental assessment to detect the presence of any hazardous substances on the subject property.

The appraisers are not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraisers that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The appraisers' value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value, unless otherwise stated in this report. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraisers' descriptions and resulting comments are the result of the routine observations made during the appraisal process. We report **No** observance of hazardous substance at the time of our inspection.

## OVERALL UTILITY AND APPEAL OF SITE

The subject offers 100% developable uplands to the site. As of the effective date of this appraisal report, the entire subject has been cleared and graded. Access to the subject is considered good with substantial frontage on 30<sup>th</sup> Street. The subject is located within a close proximity to many school and recreation facilities. The subject property is considered to be well-adapted for its intended use of residential planned unit development. The functional utility of the property is considered to be consistent with the proposed development plan.


## PROPOSED IMPROVEMENTS

The subject property is proposed to be developed with 247 single-family residential lots located in a residential community to be known as Bonnie's Landing. The total area of the subject property is 78.36 acres. The project will reflect a residential density of approximately 3.15± dwelling units per acre. In addition to the lots, the site will be improved with the necessary roads, streets and infrastructure associated with the proposed lots.

According to the Site Plan included herein, the proposed lots are rectangular in shape and will consist of 60, 70 and 85 front feet. As of the date of our previous appraisal in 2008, the owner's website stated the subdivision will feature 6 parks, a tot lot, picnic tables, gazebos and a basketball court. The following was taken from the owners' website (www.tollefsondevelopment.com). As you can see from the Pricing description, the development details have not been updated since June 30, 2005, which represents a development hold on the subject site.


**Haines City - Bonnie's Landing -**

The Bonnie's Landing site is a former Citrus Grove which will feature 6 parks, a tot lot, picnic tables, gazebos and a basketball court. This property is located in desirable Polk County approximately 30 miles southwest of Orlando and 45 miles east of Tampa. We are developing 80 acres for 247 single family homes in the growing area of Haines City, Florida. There is a significant Retail Center, conveniently located only 4 miles west of Highway 27, which includes a WalMart Supercenter, WinnDixie, Publix and numerous restaurants. This project is in close proximity to Polk County High School and the Elementary and Middle Schools are within a 3 mile radius.



**TOLLEFSON**  
DEVELOPMENT INC.

*Developers • Land Investment • Property Managers*



*Pricing*

**Haines City - Bonnie's Landing -**

Last updated: Thursday, June 30, 2005

Bonnie's Landing will offer 247 single family 60', 70' and 80' lots. The average lot price is \$75,000.

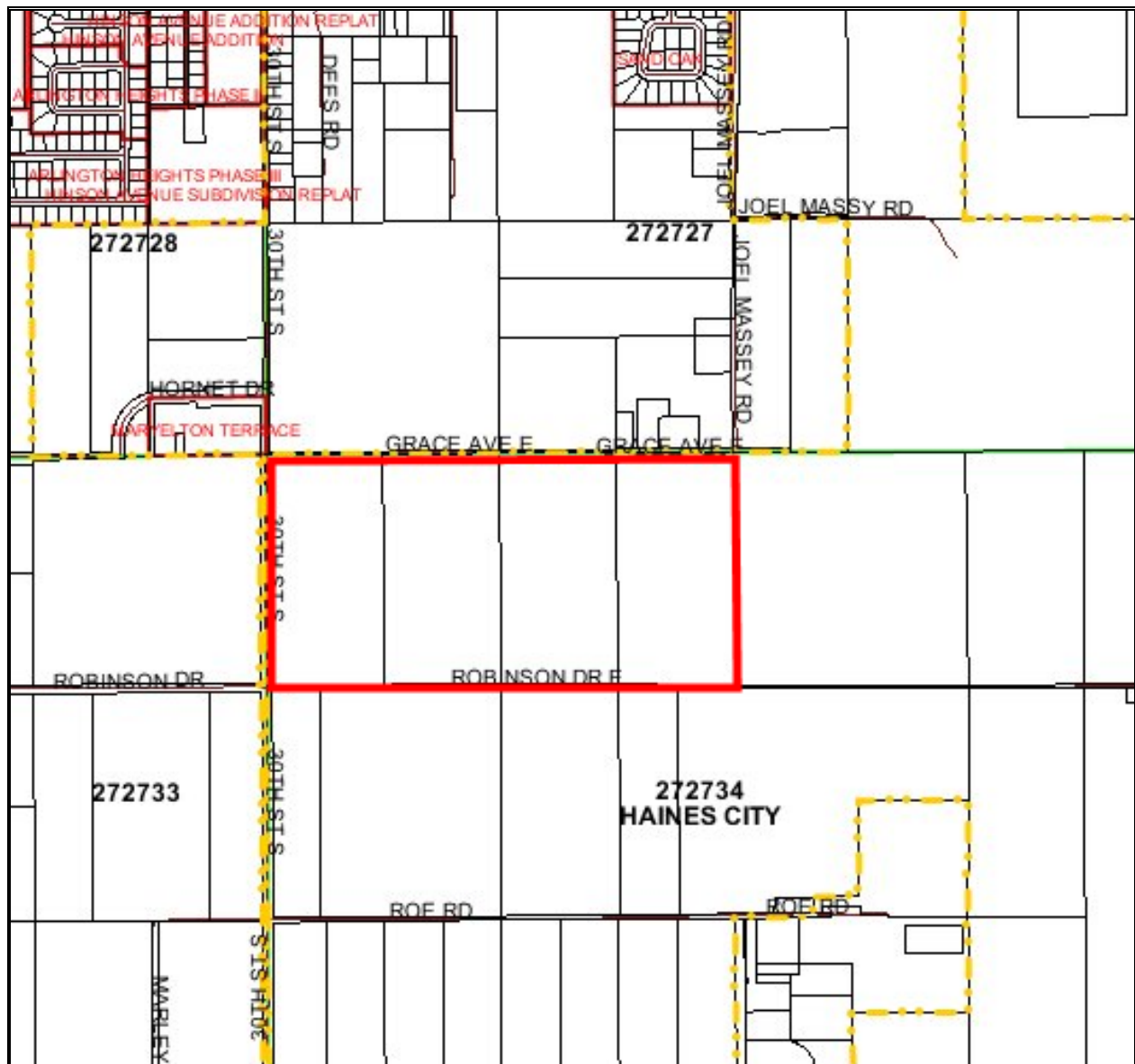
As of the date of our most recent previous appraisal in 2009, the owner website now displays an updated description of the subject property. The property is now offered for sale or development.

**Haines City - Bonnie's Landing -**

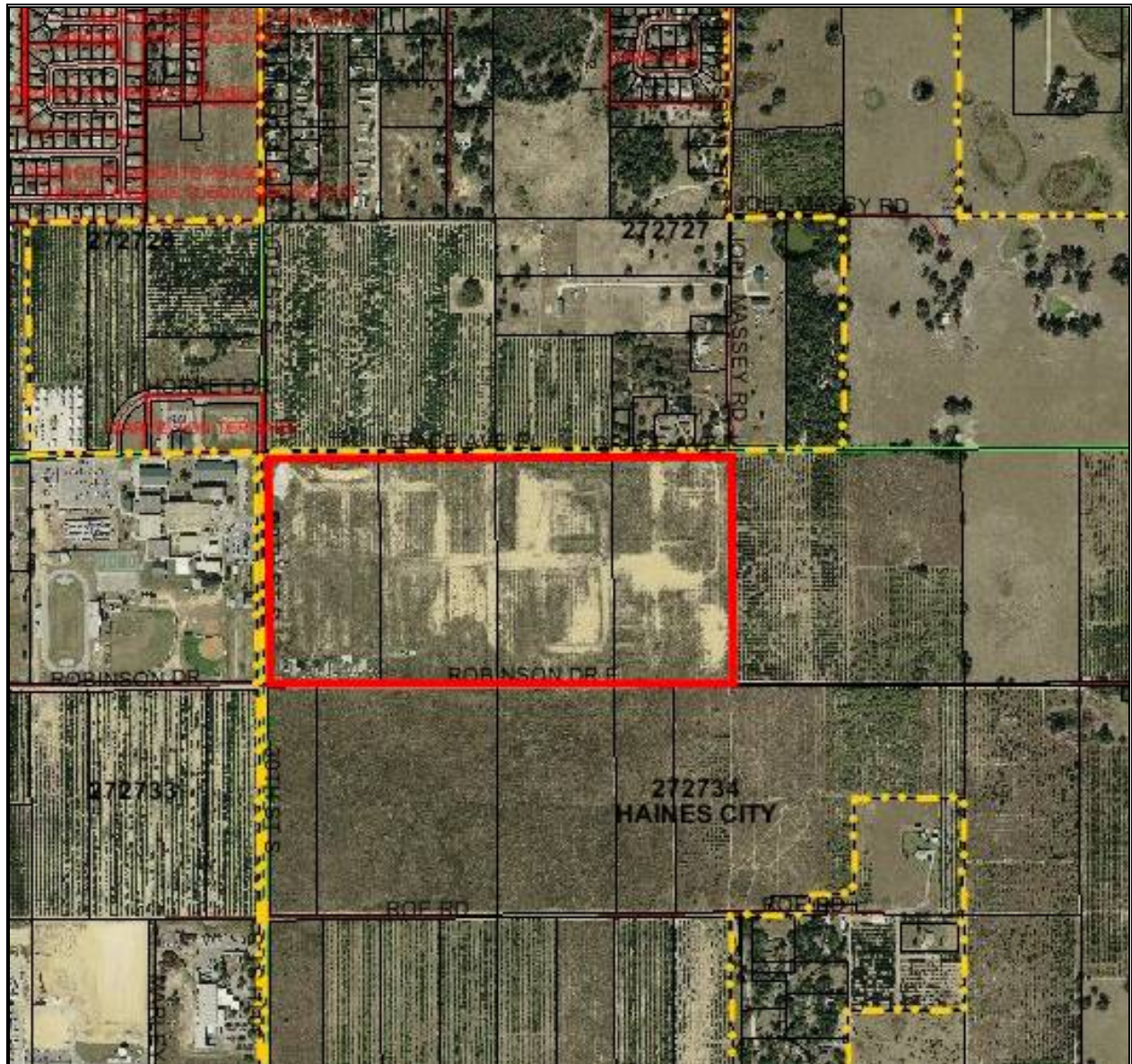
**80.5 ACRES FOR SALE OR WILL DEVELOP**

zoned single family. 247 future lots (127 @ 60', 95 @ 70' and 25 @ 85'). Utilities available at property. Grading completed and some sewer/water work/materials paid for and are on site. Huge retail 4 miles west including a Super Walmart. Elementary and Middle Schools within 3 miles. Tax IDs 342727-000000-033010 and 031-020 and 031-010.

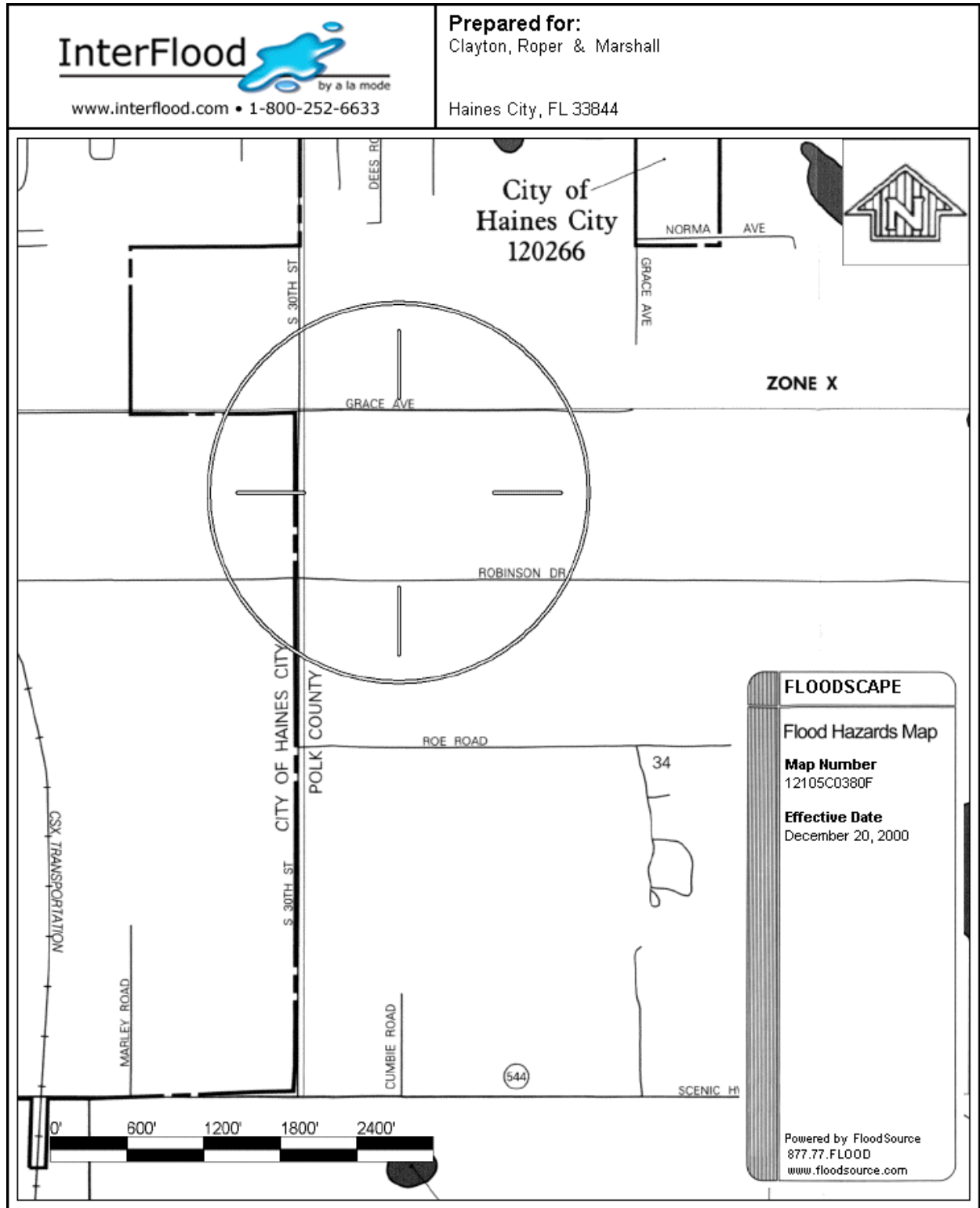
East of 30th Street fronting Grace Ave E and Robinson Drive E in Haines City, FL





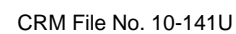


## FLOOD MAP



**CLAYTON, ROPER & MARSHALL**









## HIGHEST AND BEST USE ANALYSIS

According to the Appraisal of Real Estate, Thirteenth Edition, “Highest and best use is the reasonably 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.” When analyzing a subject property, consideration is given the highest and best use of the subject site assuming that the site is vacant and available for development to its highest and best use and for the subject property as it is currently improved. In conducting the highest and best use analysis, consideration was given to the surrounding land uses and the demand for property in the current real estate market.

### **PHYSICALLY POSSIBLE**

In terms of physical characteristics, the subject property is considered to be well suited for its intended use. As discussed previously, the subject is proposed to be developed as a single-family project to be known as Bonnie’s Landing, reflecting a density of approximately 3.15 dwelling units per developable acre. The site is of sufficient size and appropriate dimensions to allow such a use. The property also has substantial frontage (1,232.29 feet) on 30<sup>th</sup> Street directly across from a high school (Haines City High School). No physical constraints upon the development potential of the site are known, and the site is considered to be well located within the Haines City area. Therefore, it is our opinion that the subject property is very well suited for single-family residential development, as is proposed, from a physical standpoint.

### **LEGALLY PERMISSIBLE**

The subject property is currently zoned RPUD (Residential Planned Unit Development), by the City of Haines City. The subject has a future land use of low density residential which allows for a maximum density of 5 dwelling units per acre. The subject property is currently proposed for the development of 247 dwelling units, equivalent to a density of 3.15 units per acre. The proposed number of units is within the permitted density. In addition, the proposed development does not face any concurrency related development hindrances. Therefore, the subject property is considered to be very well suited for single-family residential development, as is proposed, from a legal standpoint.

## **ECONOMICALLY FEASIBLE AND MAXIMALLY PRODUCTIVE**

Once the physically possible and legally permissible potential land uses have been determined, the next step in estimating the highest and best use is to determine which uses are logical, economically feasible and maximally productive. Determining which uses are logical is based primarily upon the nature of the subject property, the characteristics of the subject neighborhood, and expected growth trends which are projected to impact the subject property. All of these factors are examined in detail within the body of this report.

After determining which uses are logical, it is necessary to determine what potential uses are economically feasible. Strictly speaking, a use which produces any positive overall return, be it cash flow or Internal Rate of Return (IRR), is economically feasible. From the list of economically feasible uses is chosen the one use which produces the greatest return. This is the maximally productive use and is, therefore, the highest and best use of the subject property. This procedure, therefore, can be seen as being shaped like a pyramid, with physically possible uses representing the base and the one maximally productive use representing the peak.

Furthermore, a determination of highest and best use must take into consideration not only present influences upon the subject property, but the expectation of future influences, as well. The highest and best use of a property can change if market influences on the property change.

As a vacant parcel of land with no significant physical or legal constraints located in the City of Haines City, a wide variety of potential land uses for the subject property is available for consideration. The potential land uses can be grouped into the four basic categories of institutional or recreational land uses, commercial land uses, multi-family residential land uses, and single-family residential land uses. We will discuss each in appropriate detail.

Although the subject property could be developed as an institutional or recreational land use, this is not considered to be a logical or maximally productive use. Our review of the subject neighborhood indicates an adequate supply of educational and recreational facilities located within the subject neighborhood. Therefore, it is our opinion that development of the subject property as an institutional or recreational type of land use would not be maximally productive and would not represent the highest and best use.

Commercial development of the subject would not be logical due to its location as well as legal characteristics. The subject is not in an area of high traffic flow or visibility. Also, the subject is located in an area designated for residential development. Thus, any commercial development would require a change in the Future Land Use plan. Therefore, it would not be logical or economically feasible.

The majority of the surrounding land uses in the subject's immediate neighborhood are agricultural citrus groves. Polk County has historically been known to be one of the top citrus producing counties in the state. The City of Haines City has an abundance of agricultural grove land within the city's jurisdiction. Therefore, the use of the subject for agricultural land would not represent the properties highest and best use in the long term due to the adequate supply of agricultural land located in the subject neighborhood.

Demand for single-family residential homes within the subject marketing area has been historically steady, and the subject is physically well suited for such a use. In our opinion, single-family residential development of the subject property is appropriate. Development of the subject property as proposed is considered to represent the highest and best use of the property. We have concluded that, based on the current levels of supply and demand within the subject's marketing area, the subject property should be held for future development.

Any future development of the subject property would be anticipated to be at least two to three years away. Any immediate purchase of the subject property would require significant expenditures to cover the carrying costs of the subject property during this timeframe. Any future development will require approval all related permits.

#### **HIGHEST AND BEST USE "AS VACANT"**

Considering the physical characteristics of the subject property, surrounding land uses, and legal restrictions, the highest and best use of the subject property "as vacant" is for future residential development. Any future development of the subject property is estimated to be from 2 to 5 years in the future.

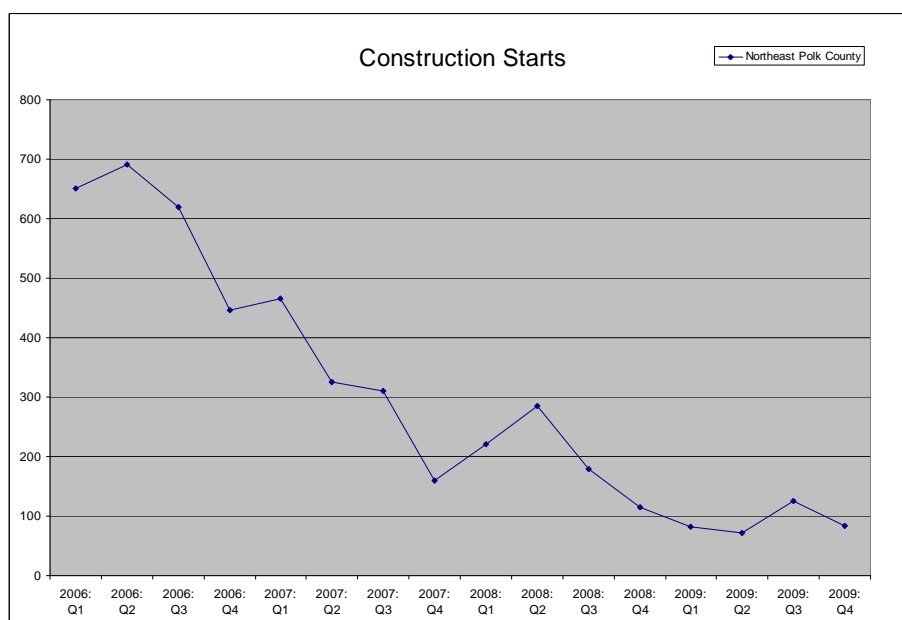
## POLK COUNTY SINGLE-FAMILY MARKET OVERVIEW

### NEW CONSTRUCTION

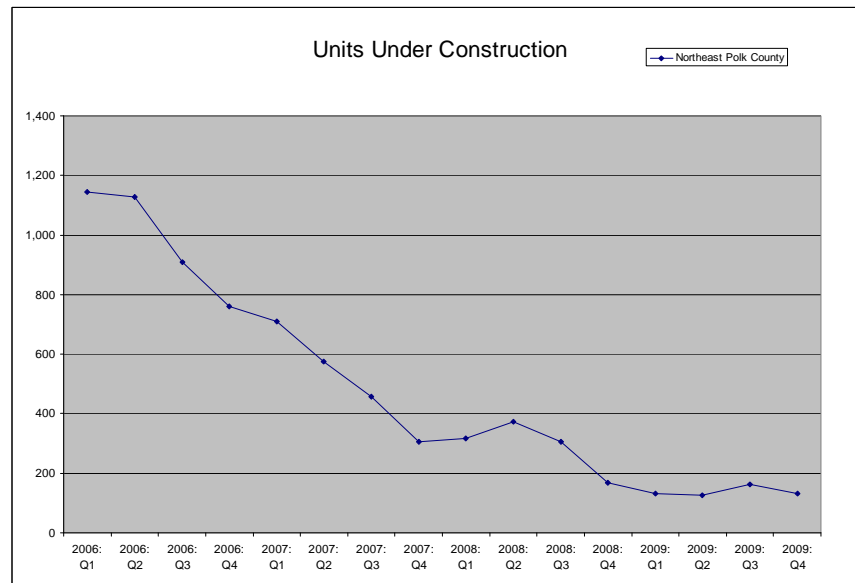
We have analyzed the northeast Polk County single-family and multi-family market using data obtained from Charles Wayne Consulting Residential Market Reports: Lake/Northeast Polk County, 2009: Quarter 4 (the latest published data presently available). The data presented is for new construction only and does not include re-sales. Due to the length of time required to complete this report, this is the most recent data available as of the date of our valuation. Following the Charles Wayne data is more recent data obtained from news articles and other sources.

After analyzing the data presented in this report, we can conclude that the Polk County single-family and multi-family markets have seen some major changes in recent months. Due to the over-supply of the market after the 2004-2005 Central Florida real estate “boom”, there has been a dramatic decrease in units under construction and construction starts in recent months. This is clearly a correction period, directly resulting from the over-supply of inventory. The following discusses each category in further detail.

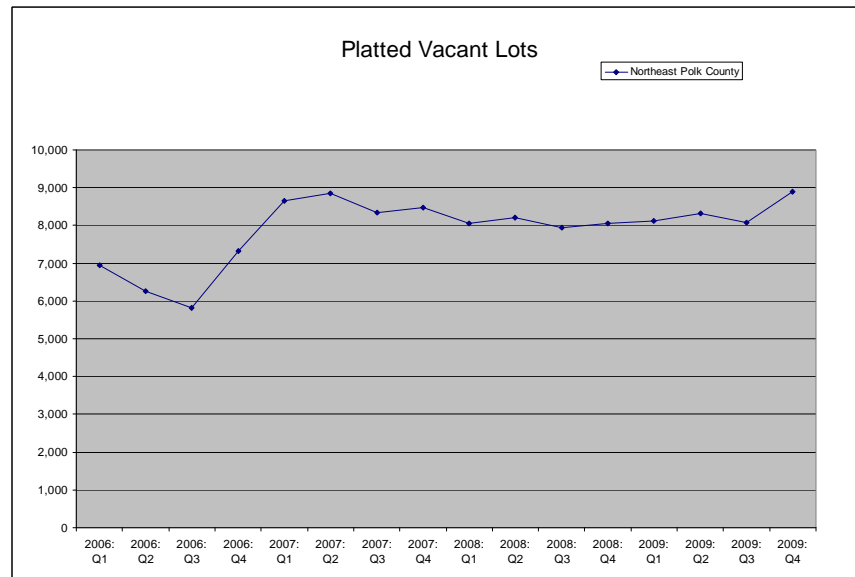
**Construction Starts** – The northeast Polk County single-family market has seen a sharp decline in construction starts in the last 7 quarters, seeing a 71% decrease from 2008-Q2 to 2009-Q4. There was a slight increase in 2009-Q3, but the 2009-Q4 level is back to the 2008-Q4 level.



**Units Under Construction** – Once again, the single-family market has seen a dramatic decrease in units under construction, which can be expected from the lack of new construction starts. The northeast Polk County single-family market has seen a sharp decline in units under construction over the last 7 quarters, seeing a 65% decrease from 2008-Q2 to 2009-Q4. The last 4 quarters have displayed a 21% decrease in single-family units under construction since 2008-Q4.

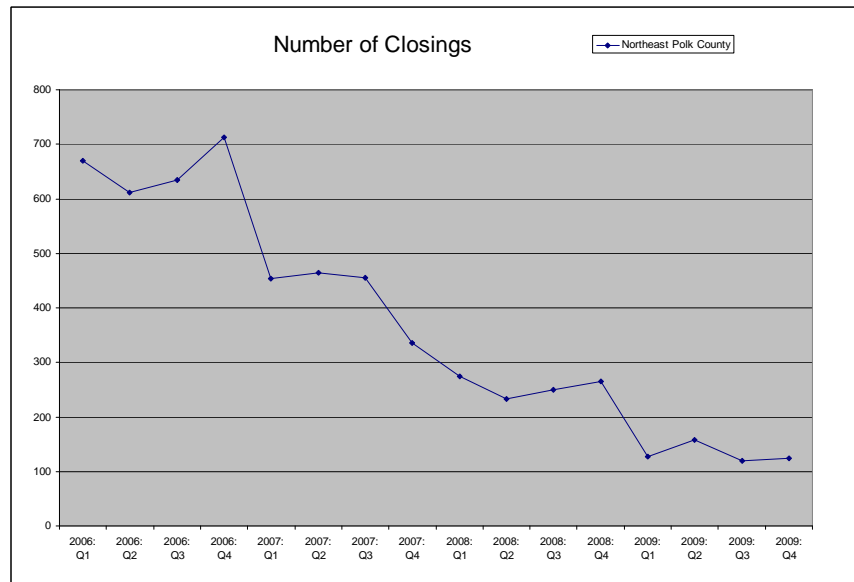


**Platted Vacant Lots** – The following chart clearly displays the over-supply of inventory in the northeast Polk County residential market. The last twelve quarters have all been in the neighborhood of 8,000 platted vacant single-family lots, with an increase to 8,888 lots in 2009-Q4.

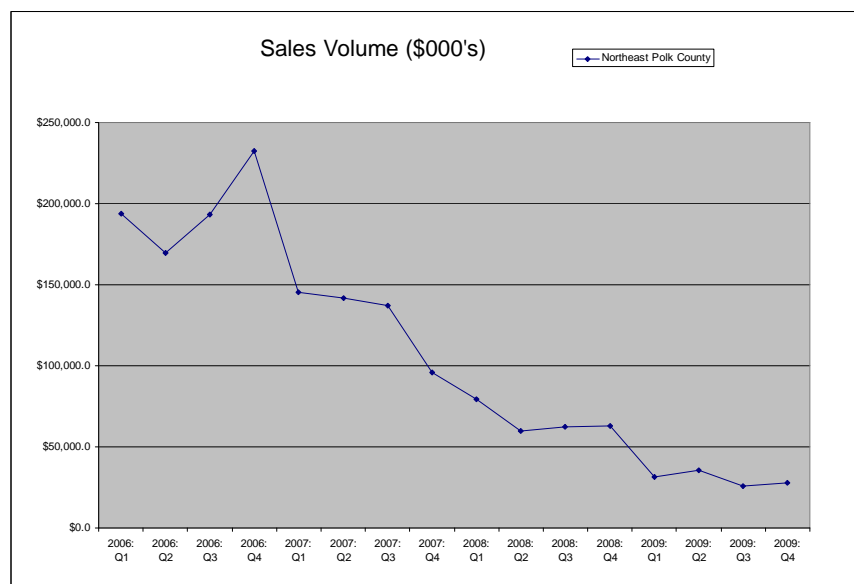




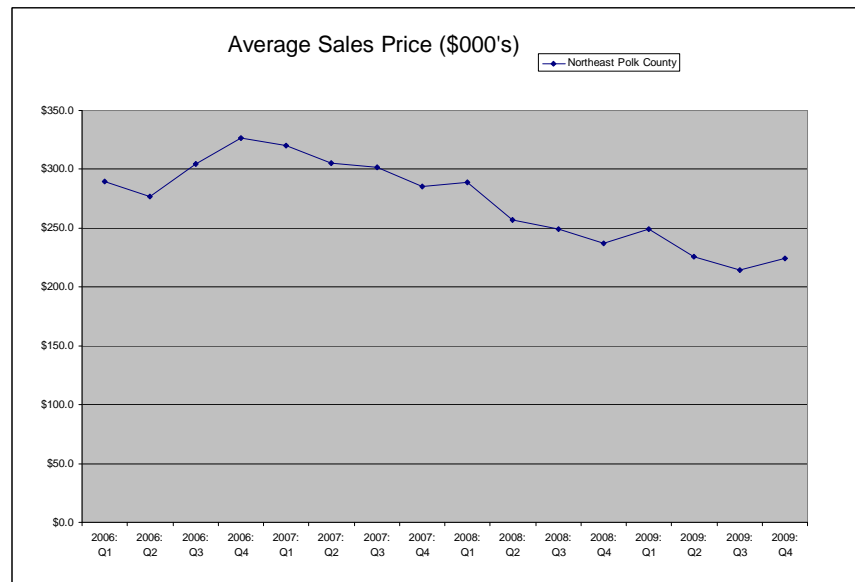
**Number of Closings** – Once again, the single-family market has been on the decline since the 4<sup>th</sup> Quarter of 2006. The single family market has seen a 53% decrease in closings over the past year, from 2008-Q4 to 2009-Q4.



**Sales Volume (\$000's)** – As can be expected, the sales volume figures pretty much mirror the number of closings trends. The single-family market has seen a decrease of 56% over the past year, from 2008-Q4 to 2009-Q4. As previously stated, the multi-family market has seen little activity, as little construction has taken place.



**Average Sales Price (\$000's)** – The single family market saw an increase in the average sales price from the 2<sup>nd</sup> quarter of 2006 until its year end. Since the end of 2006, the average sales price has steadily declined 31%, as sellers have dropped prices in reaction to the lack of demand. The average sales price has declined 21% since 2007-Q4 and 6% over the past year.

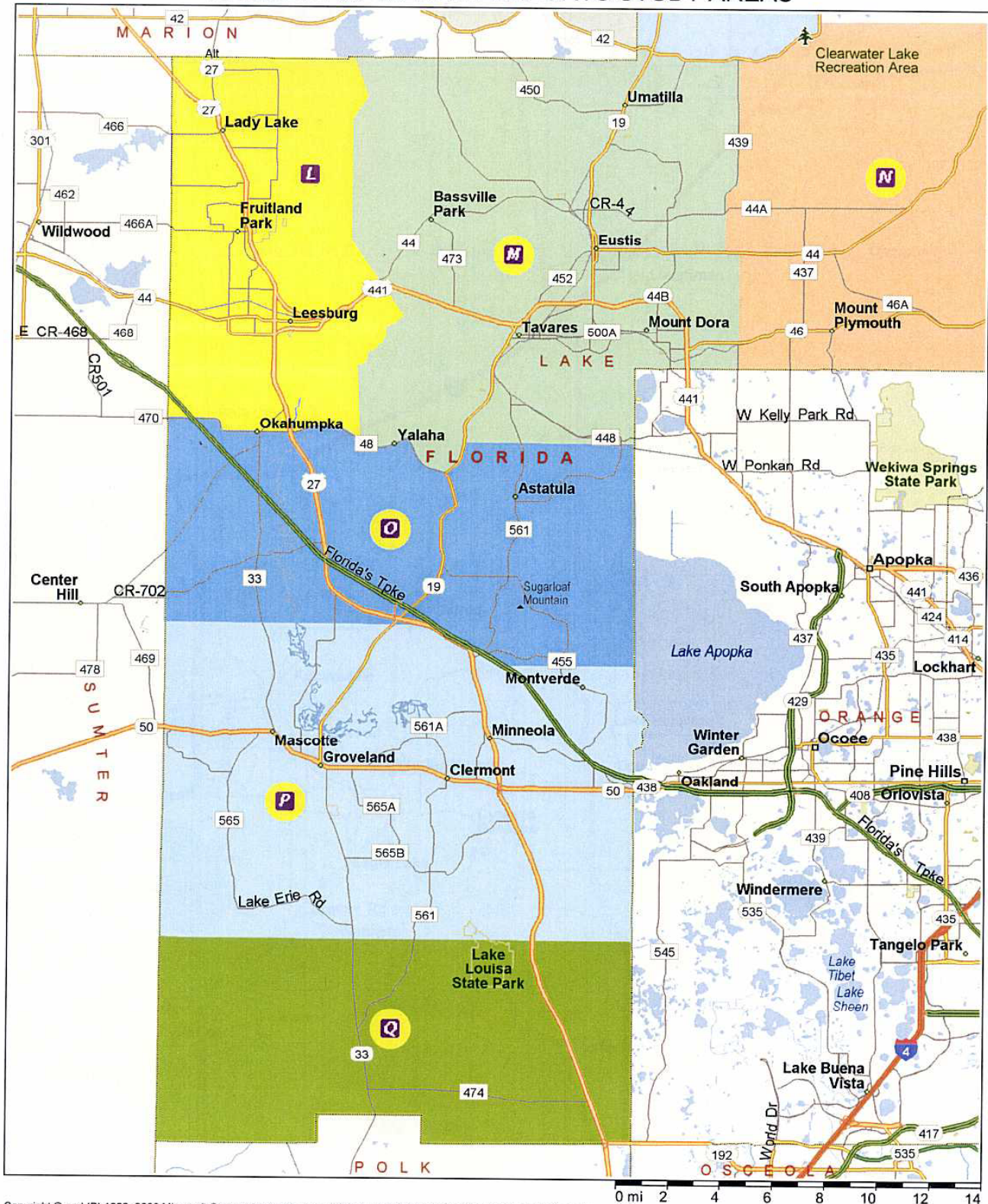


The data and location map contained in the Charles Wayne Consulting Residential Market Reports: Lake / NE Polk County, 2009: Quarter 4 is presented on the following pages.

Lake County / NE Polk County: Single-Family Residential Market								
Study Area	L	M	N	O	P	Q	TOTALS	R
Location	Leesburg/ Lady Lake	Tavares/Eustis Umatilla/MtDora	Mt. Plymouth/ Sorrento	Howey-In-the Hills/Astatula	Clermont/ Groveland	South Lake	Lake County	Northest Polk
<b>Construction Starts</b>								
2006: Q1	36	65	38	8	241	4	392	651
2006: Q2	48	102	42	5	339	13	549	691
2006: Q3	53	310	51	49	410	11	884	620
2006: Q4	25	89	21	26	163	12	336	446
2007: Q1	33	82	27	5	137	13	297	466
2007: Q2	19	130	18	4	119	20	310	326
2007: Q3	15	104	13	7	109	6	254	311
2007: Q4	15	57	14	2	53	1	142	160
2008: Q1	15	64	23	4	48	4	158	221
2008: Q2	16	53	15	15	153	2	254	285
2008: Q3	9	28	8	11	128	5	189	179
2008: Q4	6	42	7	4	64	4	127	115
2009: Q1	4	27	6	3	95	1	136	82
2009: Q2	1	22	10	7	84	0	124	71
2009: Q3	14	36	19	5	109	0	183	126
2009: Q4	1	31	9	6	105	0	152	83
<b>Units Under Construction</b>								
2006: Q1	61	170	93	11	556	33	924	1,144
2006: Q2	71	167	88	8	623	23	980	1,128
2006: Q3	60	357	62	50	579	17	1,125	910
2006: Q4	39	204	42	65	259	13	622	760
2007: Q1	37	104	44	27	182	15	409	710
2007: Q2	24	160	32	16	168	21	421	575
2007: Q3	16	176	19	8	141	15	375	457
2007: Q4	19	115	22	6	91	10	263	306
2008: Q1	17	92	31	4	91	6	241	316
2008: Q2	19	67	18	15	179	2	300	373
2008: Q3	12	44	9	19	190	7	281	305
2008: Q4	6	50	9	5	98	7	175	167
2009: Q1	5	31	6	4	121	2	169	132
2009: Q2	1	29	11	7	111	1	160	125
2009: Q3	14	39	21	6	136	0	216	164
2009: Q4	3	35	9	7	123	0	177	132
<b>Platted Vacant Lots</b>								
2006: Q1	717	1,368	733	39	3,348	530	6,735	6,953
2006: Q2	669	1,266	691	34	3,009	57	5,726	6,262
2006: Q3	575	1,354	640	133	2,592	595	5,889	5,819
2006: Q4	764	1,762	618	170	2,543	738	6,595	7,313
2007: Q1	836	2,328	581	497	2,549	885	7,676	8,652
2007: Q2	817	2,155	519	493	2,538	804	7,326	8,853
2007: Q3	802	2,051	526	589	2,507	320	6,795	8,345
2007: Q4	761	2,004	583	587	2,876	319	7,130	8,467
2008: Q1	786	1,994	656	583	2,822	315	7,156	8,050
2008: Q2	770	1,866	641	568	2,911	313	7,069	8,198
2008: Q3	761	1,987	633	557	2,809	308	7,055	7,952
2008: Q4	755	2,108	626	553	2,992	304	7,338	8,054
2009: Q1	751	2,078	627	549	2,974	303	7,282	8,121
2009: Q2	750	2,072	615	542	3,013	303	7,295	8,315
2009: Q3	736	2,107	596	537	2,976	303	7,255	8,080
2009: Q4	735	2,118	586	531	3,658	364	7,992	8,888
<b>Number of Closings</b>								
2006: Q1	48	166	119	18	316	63	730	669
2006: Q2	57	97	54	15	346	53	622	612
2006: Q3	52	122	102	0	358	7	641	634
2006: Q4	68	105	39	49	309	6	576	712
2007: Q1	32	94	23	51	284	11	495	454
2007: Q2	20	82	12	22	206	9	351	465
2007: Q3	28	84	29	16	197	0	354	455
2007: Q4	26	137	23	12	149	6	353	336
2008: Q1	23	92	26	13	76	3	233	275
2008: Q2	14	75	28	10	96	9	232	233
2008: Q3	10	69	17	14	95	4	209	250
2008: Q4	9	55	8	9	155	7	243	265
2009: Q1	5	31	13	8	69	1	127	127
2009: Q2	8	32	11	10	109	2	172	158
2009: Q3	5	37	10	5	99	1	157	120
2009: Q4	5	34	22	12	119	1	193	124
<b>Sales Volume</b>								
2006: Q1	\$10,935.4	\$42,000.1	\$46,039.3	\$4,456.9	\$91,202.9	\$23,539.0	\$218,173.6	\$193,803.5
2006: Q2	\$14,185.0	\$27,148.9	\$20,153.0	\$3,496.4	\$109,759.4	\$18,635.3	\$193,378.0	\$169,383.0
2006: Q3	\$12,123.7	\$33,756.2	\$37,304.7	\$0.0	\$117,001.7	\$2,196.0	\$202,382.3	\$193,077.9
2006: Q4	\$17,684.1	\$30,778.9	\$15,966.5	\$13,948.4	\$105,822.8	\$2,210.6	\$186,411.3	\$232,420.7
2007: Q1	\$7,456.2	\$28,135.2	\$9,266.7	\$15,390.8	\$99,168.6	\$4,244.7	\$163,662.2	\$145,509.7
2007: Q2	\$4,352.2	\$24,073.4	\$4,972.7	\$6,453.3	\$65,397.6	\$3,373.6	\$108,622.8	\$141,922.5
2007: Q3	\$6,310.9	\$20,726.6	\$10,010.6	\$4,691.3	\$62,380.0	\$0.0	\$104,119.4	\$137,174.2
2007: Q4	\$5,631.5	\$34,085.6	\$7,563.6	\$3,218.4	\$42,998.0	\$2,091.0	\$95,588.1	\$95,886.0
2008: Q1	\$4,867.6	\$21,912.3	\$8,878.4	\$3,381.9	\$20,983.5	\$897.0	\$60,920.7	\$79,464.6
2008: Q2	\$3,060.8	\$16,564.5	\$7,910.2	\$2,126.4	\$25,148.4	\$2,374.0	\$57,184.3	\$59,854.6
2008: Q3	\$1,887.6	\$14,812.1	\$5,193.0	\$3,969.4	\$24,079.1	\$1,119.8	\$51,061.0	\$62,283.1
2008: Q4	\$1,656.6	\$10,407.1	\$2,145.7	\$2,170.3	\$37,472.2	\$1,818.0	\$55,669.9	\$62,921.5
2009: Q1	\$774.1	\$8,563.0	\$3,666.7	\$1,719.5	\$15,932.7	\$230.0	\$30,886.0	\$31,679.3
2009: Q2	\$1,606.3	\$6,544.6	\$2,449.7	\$1,862.1	\$22,400.4	\$450.0	\$35,313.1	\$35,630.9
2009: Q3	\$945.5	\$7,626.9	\$2,012.8	\$909.5	\$20,665.3	\$224.3	\$32,384.3	\$25,709.7
2009: Q4	\$961.3	\$5,987.8	\$4,438.1	\$2,062.8	\$25,590.8	\$235.0	\$39,275.8	\$27,787.9
<b>Average Sales Price (\$000)</b>								
2006: Q1	\$227.8	\$253.0	\$386.9	\$247.6	\$288.6	\$373.6	\$298.9	\$289.7
2006: Q2	\$248.9	\$279.9	\$373.2	\$233.1	\$317.2	\$351.6	\$310.9	\$276.8
2006: Q3	\$233.1	\$276.7	\$365.7	\$0.0	\$326.8	\$313.7	\$315.7	\$304.5
2006: Q4	\$260.1	\$293.1	\$409.4	\$284.7	\$342.5	\$368.4	\$323.6	\$326.4
2007: Q1	\$233.0	\$299.3	\$402.9	\$301.8	\$349.2	\$385.9	\$330.6	\$320.5
2007: Q2	\$217.6	\$293.6	\$414.4	\$293.3	\$317.5	\$374.8	\$309.5	\$305.2
2007: Q3	\$225.4	\$246.7	\$345.2	\$293.2	\$316.7	\$0.0	\$294.1	\$301.5
2007: Q4	\$216.6	\$248.8	\$328.9	\$268.2	\$288.6	\$348.5	\$270.8	\$285.4
2008: Q1	\$211.6	\$238.2	\$341.5	\$260.1	\$276.1	\$299.0	\$261.5	\$289.1
2008: Q2	\$218.6	\$220.9	\$282.5	\$212.6	\$262.1	\$263.8	\$246.5	\$256.9
2008: Q3	\$188.7	\$214.7	\$305.5	\$283.6	\$253.5	\$280.1	\$244.3	\$249.1
2008: Q4	\$184.1	\$189.2	\$268.2	\$241.1	\$241.8	\$259.7	\$229.1	\$237.4
2009: Q1	\$154.8	\$276.2	\$282.1	\$214.9	\$230.9	\$230.0	\$243.2	\$249.4
2009: Q2	\$200.8	\$204.5	\$222.7	\$186.2	\$205.5	\$225.0	\$205.3	\$225.5
2009: Q3	\$189.1	\$206.1	\$201.3	\$181.9	\$208.7	\$224.3	\$206.3	\$214.2
2009: Q4	\$192.3	\$176.1	\$201.7	\$171.9	\$215.0	\$235.0	\$203.5	\$224.1
Source: Charles Wayne Consulting Residential Market Reports: Lake County & NE Polk County Residential For Sale 2009:Q4								

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## RESIDENTIAL MARKET REPORTS STUDY AREAS



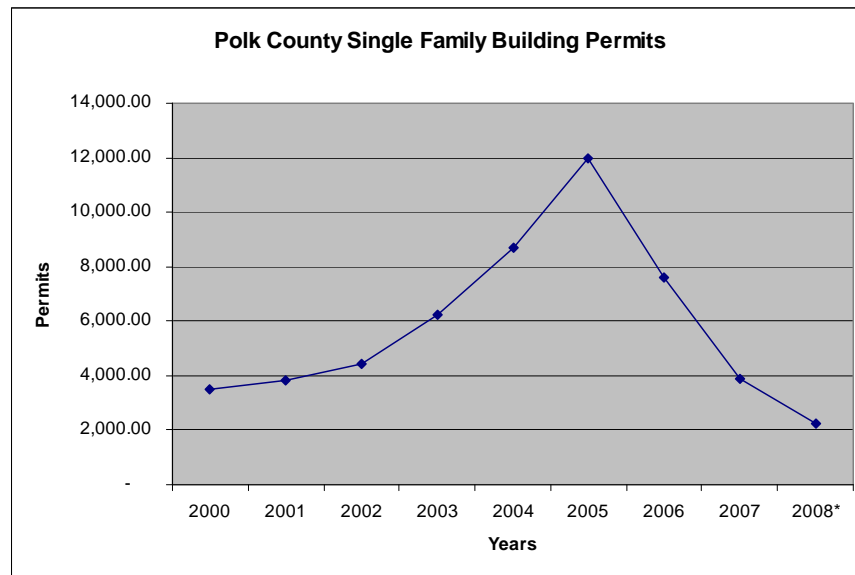
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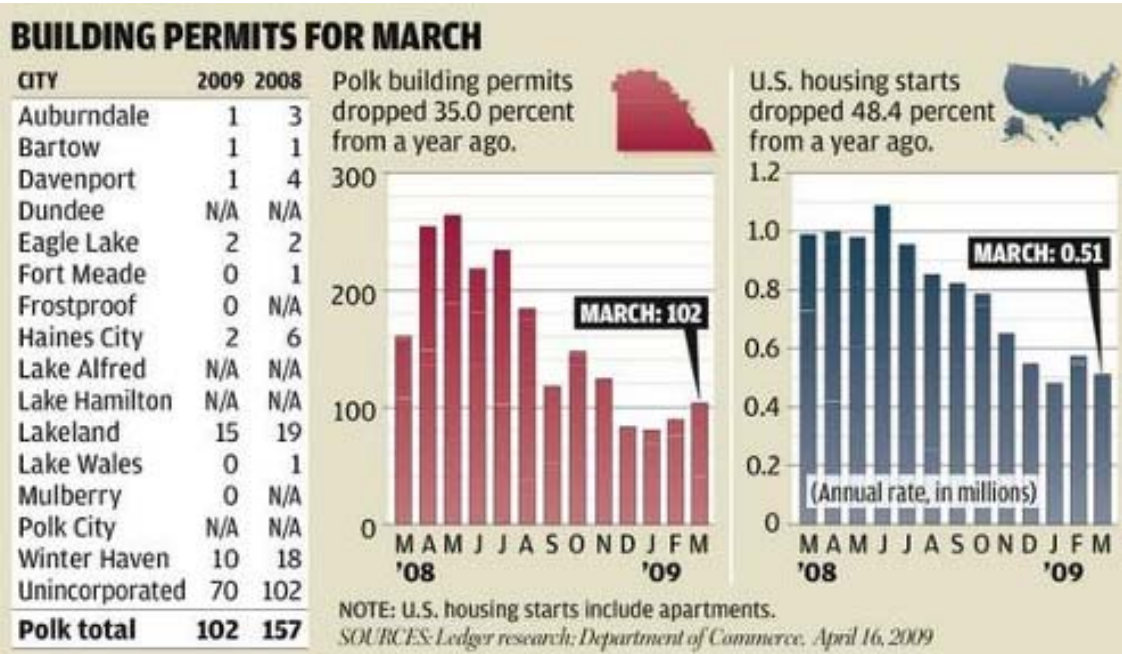
**Building Permits** - According to the *State of the Cities Data System* for single-family building permits, housing permits in Polk County have also taken a dramatic decrease since 2005. Throughout the early 2000's the number of single family permits radically increased and hit a peak in mid 2005. From this point in 2005, the number of single family housing permits has drastically declined throughout all of Polk County. The following chart shows the annual number of permits issued in Polk County from 2000 to 2008.



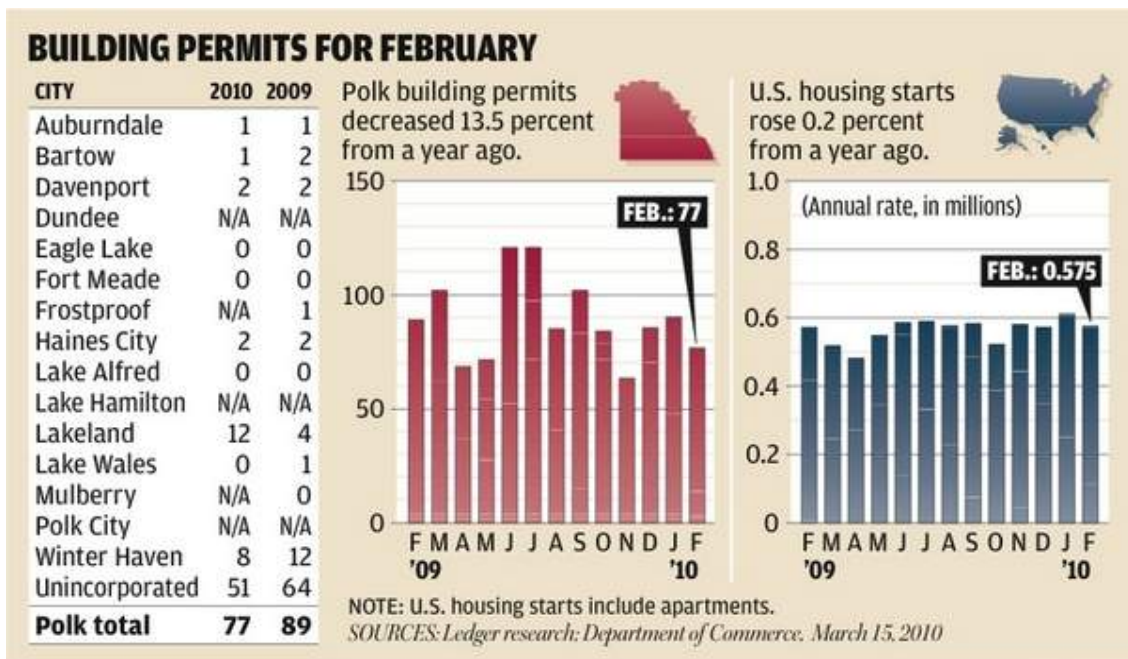
\*Single Family permits through December 2008 (Source: State of the Cities Data System)

However, homebuilding activity picked up in March 2010, giving Polk County builders their best month since late 2008. A total 137 permits for new single-family homes were recorded in March, up from 102 a year ago and 77 in February, according to county and city building departments. Despite the March increase in Polk, economists and market participants believe the area will likely see sluggish building activity this year as unsold and distressed home inventories remain elevated. The following charts show the number of single-family building permits in Polk County and the overall United States market from March 2008 to February 2010 (U.S. data includes apartments).





(as of March 2009)

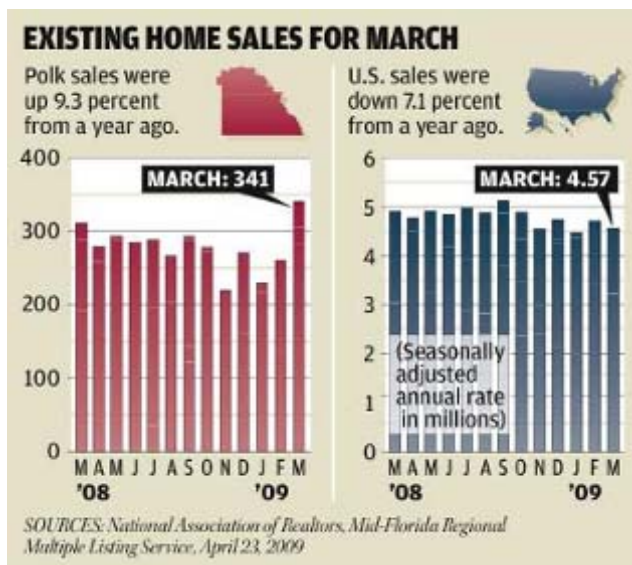


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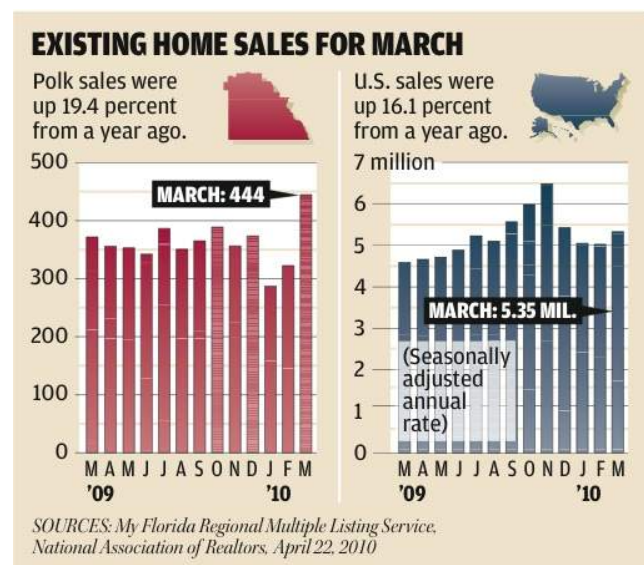
(as of February 2010)

## EXISTING HOME SALES

As of the effective date of this report, the state of residential development activity in the subject's immediate market area is best described as static. The recent real estate "boom" that peaked in 2005, was followed by a decline in 2006 to 2009, and now continues in 2010. The decline is evident in terms of home price levels and in the number of new existing home sales. However, home sales surged in Polk County in March 2010, reaching levels not seen here in nearly four years. Polk County recorded a total 444 existing homes sold in March, up from 372 the year prior and 323 in February, according to the *My Florida Regional Multiple Listing Service*. It was the area's highest monthly total since August 2006, when 499 homes were sold. The following charts show the number of sales of single-family homes in Polk County and the overall United States market from March 2008 to March 2010. Polk sales were up 19.4 percent from March 2009, while the overall U.S. sales were up 16.1 percent from a year ago.



(as of March 2009)



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(as of March 2010)

## PRICING

Sales activity of new and existing homes has declined recently and the current housing inventory has risen dramatically in the past 18 to 24 months. Several factors have contributed to this current supply-heavy market, including increased home loan credit availability restrictions, higher property taxes and homeowner's insurance, and a poor market perception of declining real estate values. These

influences have been widely reported in the local news media. The greatest of these influences, however, is the more fundamental influence of simple supply and demand economics of local housing inventory. Currently, there is a housing inventory supply surplus.

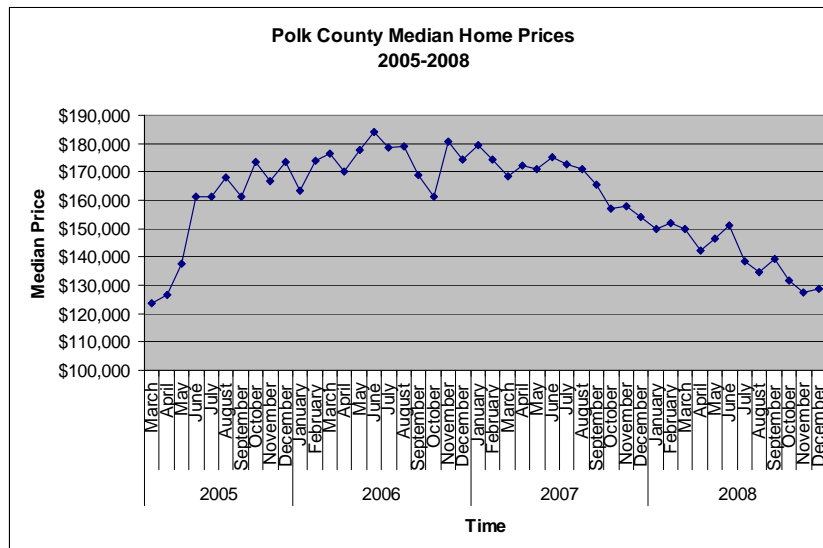
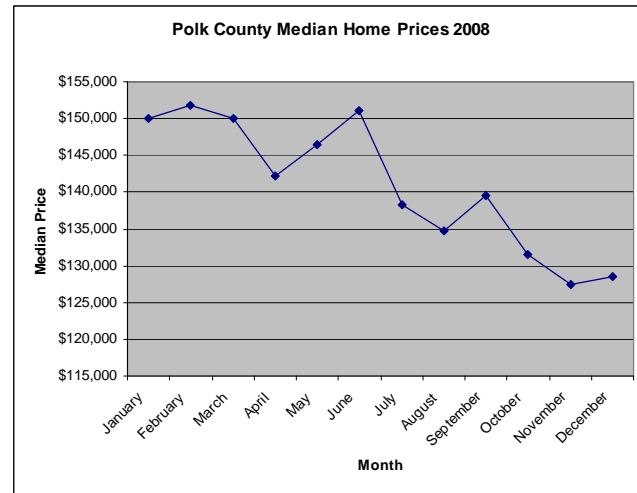
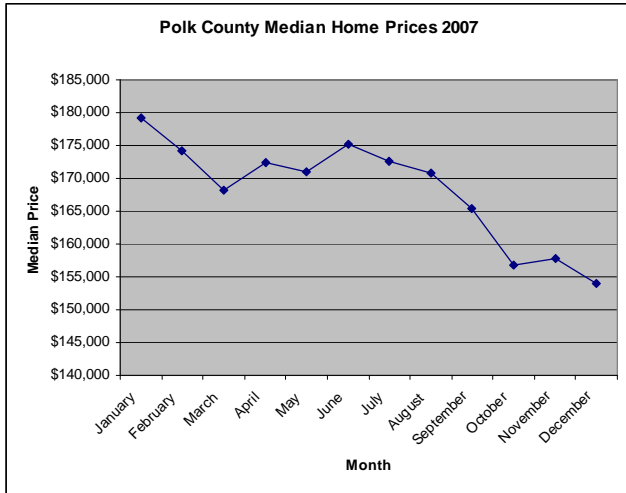
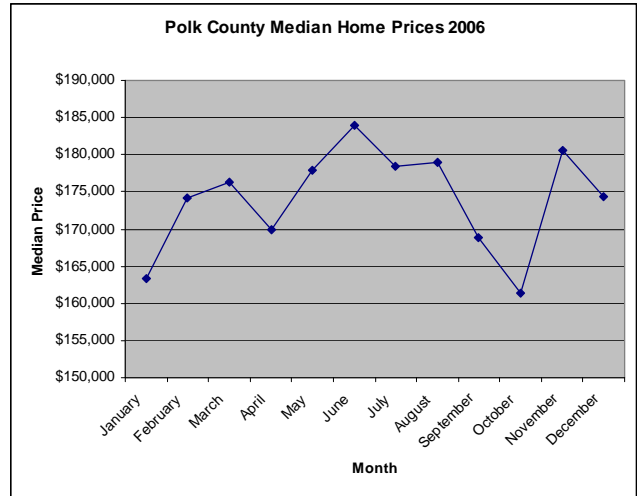
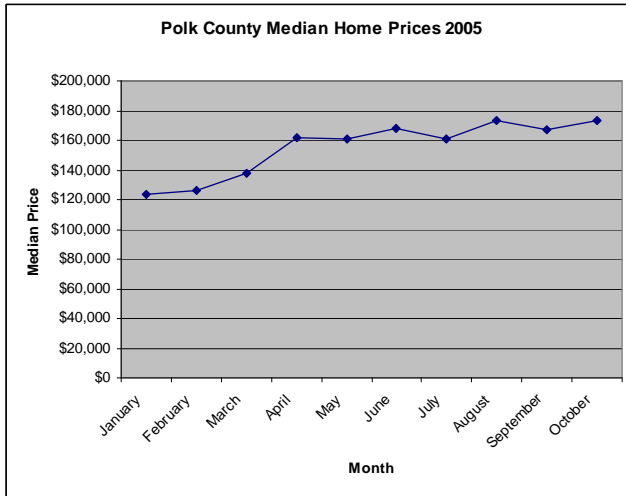
From 2000 to 2006, there was a high demand for residential properties in the market areas that increased the median residential home price for Polk County from under \$100,000 in 2003 to over \$180,000 in mid-2006. The high demand was due largely to the relatively affordable prices within Polk County. In addition, investors and speculators fueled demand in the subject's neighborhood and surrounding area. The subject property provided evidence of this trend as it was purchased in February 2006. This high demand increased prices through 2005 and continued until the middle of 2006.

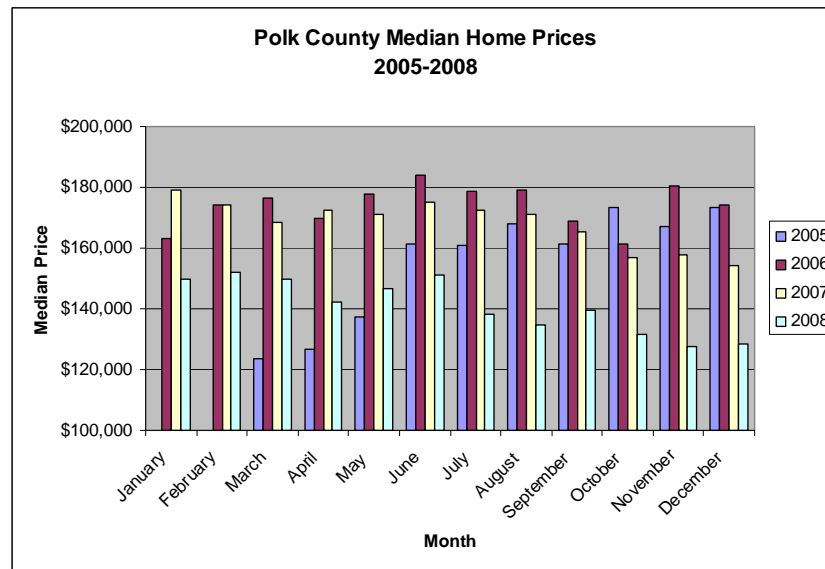
Historically, the median home prices were under \$120,000 in 2004. In 2005/2006, residential real estate in the Central Florida market made substantial gains. For Polk County, the peak of the residential housing market was in June of 2006 when the median home price was \$183,900. In late 2006, the residential market experienced a dramatic slowdown. There was a decrease of sales activity and an increase in housing supply, an indication that the market had slowed down. The median home price for December 2006 was \$174,300, representing a 5.22% decline in the home prices within 6 months. This trend continued through 2007. The median home price in December of 2007 was \$154,100, representing an 11.59% decline since December 2006, and a 16.20% decline from the peak of the market in June of 2006. The chart below displays the historical median home prices for Polk County discussed herein.

<b>Polk County Single Family Median Home Prices</b>												
<b>Year</b>	<b>January</b>	<b>February</b>	<b>March</b>	<b>April</b>	<b>May</b>	<b>June</b>	<b>July</b>	<b>August</b>	<b>September</b>	<b>October</b>	<b>November</b>	<b>December</b>
<b>2005</b>	-	-	\$123,700	\$126,600	\$137,400	\$161,400	\$161,100	\$168,100	\$161,300	\$173,500	\$166,900	\$173,500
<b>2006</b>	\$163,300	\$174,100	\$176,300	\$170,000	\$177,900	\$183,900	\$178,500	\$179,000	\$168,900	\$161,300	\$180,600	\$174,300
<b>2007</b>	\$179,300	\$174,300	\$168,300	\$172,400	\$171,000	\$175,300	\$172,600	\$170,900	\$165,500	\$156,900	\$157,900	\$154,100
<b>2008</b>	\$150,000	\$151,800	\$150,000	\$142,200	\$146,500	\$151,100	\$138,300	\$134,800	\$139,500	\$131,600	\$127,400	\$128,600

Source: National Association of Realtors, Meid-Florida Regional Multiple Listing Service

The 2008 year brought lower selling prices for homes within Polk County. The median home price for December 2008 was reported at \$128,600, which represents a 16.55% decline in the median house price from the December 2007 median price of \$154,100. December 2008 also represented a decline of 30.01% from the peak of the market in June 2006. We have presented charts below to graphically show the change in the median home price for Polk County on an annual basis from 2005 through December 2008.





The data above displays the current trends in the residential housing market for Polk County. It is obvious to see the market increased from 2005 to 2006. However, the market also reached its peak in mid-2006 and began to decline, which still continues today. The median home price has fallen to a level Polk County has not seen since early 2005.

A record 10,747 foreclosure cases were filed with Polk County's Clerk of Courts in 2009, further increasing the supply of distressed homes on the market. Those bank-owned and pre-foreclosure homes accounted for more than half of local existing home sales in 2009, and Polk's median sale price fell 20 percent to \$111,800, according to the Florida Association of Realtors.

Today, distressed properties continued to lead sales and Polk's median sale price as of March 2010 was \$105,100, down 3 percent from a year ago, the Florida Association of Realtors reported. The existing median home sale price was \$108,800 in March 2009 and \$150,000 in March 2008. Pre-foreclosure and bank-owned properties accounted for roughly 64 percent of local home sales in March, according to data from the Home Encounter consultancy in Tampa. The combination of low interest rates and cheap prices seems to have helped drive sales, along with the expiring federal tax credits for homebuyers - which concluded April 30.

The following charts detail median home prices within Florida metro areas from March 2008 to March 2010.



### POLK HOME PRICE DROP NEAR STATE AVERAGE

The Lakeland-Winter Haven (Polk County) metropolitan statistical area (MSA) had a 27 percent decrease for median existing home sale prices in March compared with a year earlier and ranked 10th.

These are the top five and bottom five Florida MSAs ranked by percent change.

RANK/MSA	MARCH 2009	MARCH 2008	PERCENT CHANGE
<b>TOP FIVE</b>			
1 Tallahassee	\$185,000	\$190,800	-3%
2 Fort Walton Beach	181,500	197,000	-8
3 Pensacola	138,800	160,000	-13
4 Gainesville	168,000	198,900	-16
5 Panama City	163,300	197,100	-17
10 Lakeland-Winter Haven	<b>108,800</b>	<b>150,000</b>	<b>-27</b>
<b>BOTTOM FIVE</b>			
20 Fort Myers-Cape Coral	\$88,500	\$212,500	-58%
19 Punta Gorda	92,200	152,20	-39
18 Miami	205,600	337,900	-39
17 Sarasota-Bradenton	150,000	239,300	-37
16 Orlando	151,500	222,600	-32
State median	<b>\$141,300</b>	<b>\$201,700</b>	<b>-30%</b>
U.S. median	<b>\$175,500</b>	<b>\$200,400</b>	<b>-12%</b>

SOURCE: Florida Association of Realtors, April 23, 2009

(as of March 2009)

### FIVE METRO AREAS POST GAINS

The Lakeland-Winter Haven (Polk County) metropolitan statistical area (MSA) had a 3 percent decrease for median existing home sale prices in March compared with a year earlier and ranked 9th.

These are the top five and bottom five Florida MSAs ranked by percent change.

RANK/MSA	MARCH 2010	MARCH 2009	PERCENT CHANGE
<b>TOP FIVE</b>			
1 Punta Gorda	\$110,600	\$92,200	+20%
2 Sarasota-Bradenton	163,800	150,000	+9
3 West Palm Beach-Boca Raton	246,100	228,100	+8
4 Fort Myers-Cape Coral	95,100	88,500	+7
5 Fort Walton Beach	185,600	181,500	+2
9 Lakeland-Winter Haven	<b>105,100</b>	<b>108,800</b>	<b>-3</b>
<b>BOTTOM FIVE</b>			
19 Melbourne-Titusville-Palm Bay	\$105,800	\$123,700	-14%
18 Orlando	132,200	151,500	-13
17 Ocala	93,900	105,700	-11
16 Fort Pierce-Port St. Lucie	107,500	118,000	-9
15 Gainesville	155,300	168,000	-8
State median	<b>\$137,000</b>	<b>\$141,300</b>	<b>-3%</b>
U.S. median	<b>\$170,700</b>	<b>\$170,000</b>	<b>+0.4%</b>

SOURCE: Florida Association of Realtors, April 22, 2010

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(as of March 2010)

## CONCLUSION

The subject is considered to have generally good characteristics of marketability overall. The property is well located within Polk County. Linkage to major highways is considered adequate as the property is located just south of Interstate 4, with great proximity to Interstate 4 and US Highway 27.

As can be seen from the previous data, the Northeast Polk County market area has seen significant decreases in construction starts, units under construction, closings, sales volume and average sale prices. The subject market saw drastic decreases in annual construction starts from 2006 to 2007, and additional decreases through 2009. As a result of the lack of starts, the units under construction have seen drastic declines as can be expected. This trend is expected to continue through 2010.

This lack of demand has had an enormous impact on the price of new construction homes. The average sales price for the Northeast Polk County single-family market has decreased to \$224,100 according to the latest data, down from \$326,400 at its peak in the 4th Quarter of 2006. This



represents a decrease of 31% in nearly three years. Based on this data, we have estimated a typical market conditions adjustment of -10% per year, which we will use within the *Sales Comparison Approach* section of our valuation.

Over the past year, there has been increased existing sales activity within Polk County, i.e., March of 2010 presented the highest amount of sales since August 2006. Existing inventory is slowly declining; however, sales prices also continue to decline as distressed properties consist of a majority of the sales. There is currently an overabundance of existing homes listed for sale within the County. This large amount of supply is driving lot prices down within the subject's market area.

The current "soft" market conditions and the national economic recession have severely hindered the short-term development potential of the subject property. Sales activity of new and existing residential product has declined drastically over the past two+ years, but recently there have been slight increases at discounted prices. However, the current inventory of platted vacant lots has remained at extraordinarily high numbers in the past 24 to 30 months. With nearly 9,000 platted vacant lots in Northeast Polk County, we feel that 18-24 months is a realistic estimate for the necessary single-family market correction.

As can be seen from the preceding analysis, the Central Florida residential market is in a period of correction. Many market participants have opted to stay out of the market, resulting in a defensive position for buyers. Many buyers are delaying purchases until market reports conclude more evidence that the market has reached "a bottom." From a fundamental perspective, this is unlikely to occur until more inventory can be absorbed over the coming few quarters. As more inventories are absorbed, the current supply glut will trend closer to a supply-demand equilibrium. Eventually, residential prices will stabilize, and absorption rates will increase, resulting in a stabilization of residential sales activity.

Virtually no proposed residential development deal in Central Florida is termed economically feasible in today's market. Today's real estate market is complex with local and national/international issues rendering development impractical. The much discussed credit crunch, lack of consumer confidence, bailout of major corporate entities and the recession make times complex, risky and uncertain. At the local level, the significant amount of developed lots to be absorbed will take several years, prolonging the return of new subdivision development. The current conditions are unprecedented. At this time, the success, cost and timeline of economic recovery are unknown.

To further illustrate the current real estate market and overall economic conditions that exist today, we have included the following exhibits. The first is an article from the Lakeland Ledger website explaining the recent increased sales activity and decreased prices and how distressed properties dominate the market. The second is an article from the Lakeland Ledger website explaining Polk County's economic status regarding home sales and permitting, unemployment, tourism and retail sales. The third is an excerpt from the Florida & Metro Forecast completed by the University of Central Florida Institute for Economic Competitiveness, published in June 2009. This excerpt presents the highlights of the forecast for 2009-2012. The final exhibit was completed by William L. Pittenger, Senior Vice President of Seacoast National Bank. This exhibit presents a forecasted recovery timeline and highlights key economic indicators.

**POLK'S MARCH HOME SALES HIGHEST SINCE 2006**  
**Pre-foreclosure and bank-owned properties account for bulk of activity.**

*By Kyle Kennedy*

*THE LEDGER, Published: Friday, April 23, 2010 at 12:42 a.m.*

LAKELAND | Home sales surged in Polk County last month, reaching levels not seen here in nearly four years.

Polk recorded a total 444 existing homes sold in March, up from 372 the year prior and 323 in February, according to the My Florida Regional Multiple Listing Service.

It was the area's highest monthly total since August 2006, when 499 homes were sold.

Distressed properties continued to lead sales and Polk's median sale price was \$105,100, down 3 percent from a year ago, the Florida Association of Realtors reported.

"Sales have been very, very strong. I'm feeling comfortable for the first time in maybe three years," said Gate Arty, a Realtor with Keller Williams Realty in Lakeland. "I know people have a negative connotation with distressed home sales ... but we need to liquidate that inventory."

Pre-foreclosure and bank-owned properties accounted for roughly 64 percent of local home sales last month, according to data from the Home Encounter consultancy in Tampa.

The combination of low interest rates and cheap prices has helped to drive sales, Arty said. He also said the expiring federal tax credits for homebuyers - which conclude April 30 - have boosted interest. Gordon Kettle, an economic consultant to county government and professor at Polk State College, said the county has 4,604 unsold existing homes right now, which amounts to 10 months of inventory at March's sales pace. Though inventories have been gradually declining, Kettle estimates that a "healthy" market would have six months or less (approximately 2,600 or fewer homes at March's pace) of inventory.

Across Florida, sales of existing single-family homes increased 24 percent from March 2009. The state's median sale price fell 3 percent to \$137,000.

Total U.S. existing home sales were up 16 percent in March versus the year prior, while the national median inched up 0.4 percent to \$170,700, according to the National Association of Realtors.

"With home values stabilizing, a revival in home buying confidence will likely help the housing market get back on its feet even as the tax credit impact disappears," said Lawrence Yun, NAR's chief economist, in a prepared statement.

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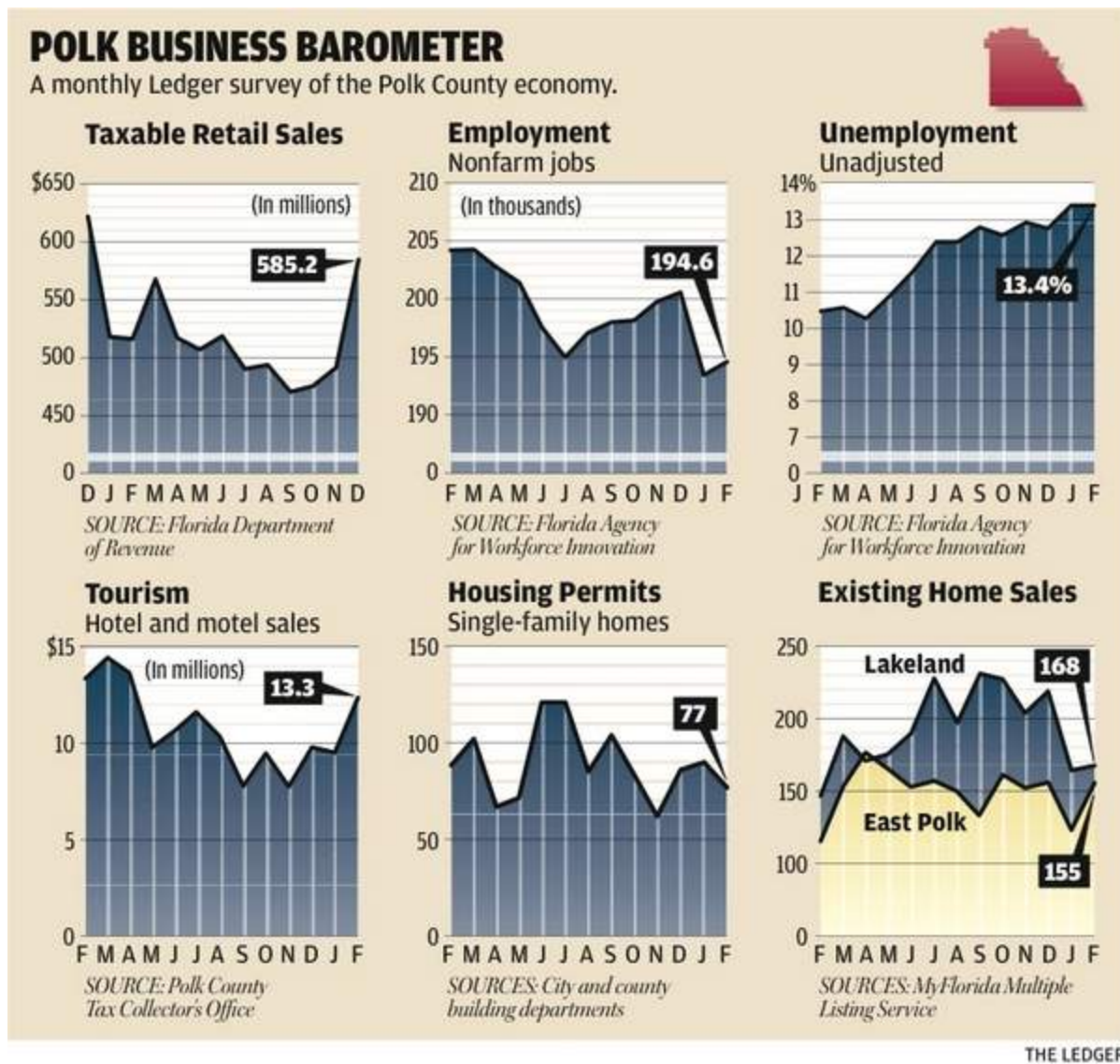
This story appeared in print on page C8

## BUSINESS BAROMETER: HOME SALES, HIRING SHOW SOME SIGN OF IMPROVING **Polk's jobless rate falls in February as more homes sell and prices fall.**

By Kyle Kennedy

THE LEDGER, Published: Friday, April 9, 2010 at 11:55 p.m.

LAKELAND | The job market saw hints of improvement in February and home sales continued to grow as prices declined, according to The Ledger's monthly Polk County Business Barometer.



Polk's 13.4 percent unemployment rate for February was up from 9.8 percent the year before but unchanged from January, according to the Florida Agency for Workforce Innovation.

Polk had lost 7,700 jobs in February compared to the year prior, but had gained 1,100 since January.

Statewide, Florida has added 26,300 jobs since January, but also posted a record 12.2 percent unemployment rate (seasonally adjusted) in February. The monthly rise in jobs was the first such increase since November 2007.

"While the unemployment rate is a lagging indicator of economic recovery, (February's) positive job growth of 26,300 jobs and a 300 percent reduction in the number of layoff notices since the peak last May are both encouraging signs of an improving economy," said Cynthia Lorenzo, director of the state's workforce agency, in a prepared statement last month.

Polk's housing market continued to follow a pattern of rising sales and falling prices.

A total 323 existing homes were sold here in February, up from 285 the year before and 287 in January, according to My Florida Multiple Listing Service.

The county's median sale price for February, \$101,500, was down 5 percent from the year prior, the Florida Association of Realtors reported.

Data from the Home Encounter consulting group in Tampa shows that distressed properties are still accounting for the bulk of Polk's home sales. Bank-owned and pre-foreclosure properties amounted to roughly 65 percent of local home sales in February.

Homebuilders are facing low demand as unsold homes remain plentiful.

A total 77 permits for new home construction were recorded here in February, down from 89 the year before and 90 in January, according to city and county building departments.

Polk's tourism revenue for February came to \$13.3 million, versus \$12.1 million the year prior, according to the Polk County Tax Collector's Office. The figures reflect sales for hotels and vacation home rentals.

Taxable retail sales totaled \$585.2 million in December, the most recent month available from the Florida Department of Revenue. That figure was down 15 percent from \$687.6 million the year prior.

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This story appeared in print on page C6

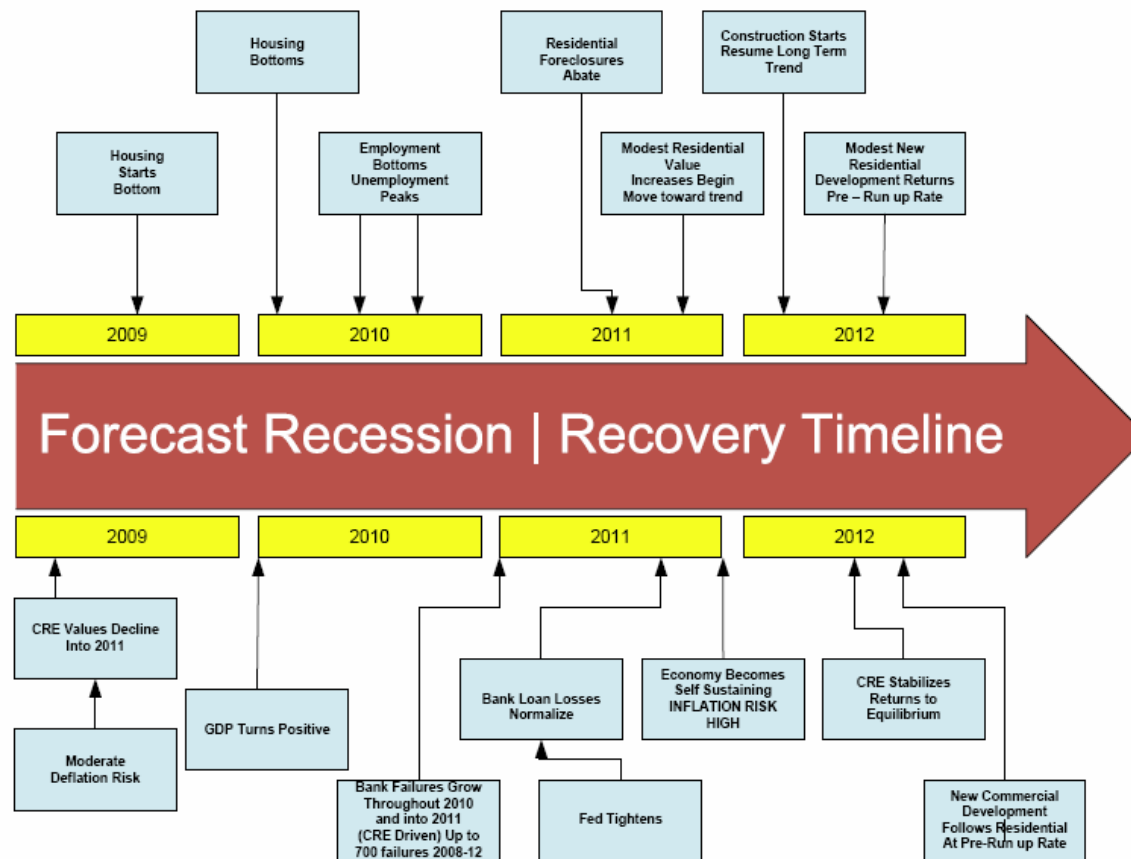
## HIGHLIGHTS OF THE FLORIDA FORECAST 2009-2012

- Florida's massive job losses will continue to accumulate through the end of 2009. After nearly three straight years of job losses, meager employment growth returns in 2010.
- Payroll employment in Florida will have declined by an average of 715,000 jobs from 2007 Q1 through 2009 Q4.
- Florida's labor market is the ugly scar that will serve as a reminder of the economic trauma we have endured, and this scar will take a long time to fade. Florida's payroll employment will not reach pre-recession levels until 2014.
- Unemployment rates hit double digits in Q2 of 2009 and continue to slowly climb into Q2 2010 with average unemployment peaking in that quarter at 10.7%. Unemployment will stay above 10% through 2011 Q1 and continue a painfully slow decline from its peak. Unemployment will only fall to 8.7 % by the end of 2012.
- The only two sectors forecasted to average positive growth during 2009-2012 are Education and Health Services (2.2%) and Professional and Business Services (2.1%). For the latter, this average growth is driven by a surge in hiring in 2011 and 2012 while the former grows faster in the near term and growth decelerates in 2011-2012.
- Florida's housing construction sector finally bottoms out deeper than many expected in 2009 Q2, falling to just 35,352 housing starts at an annual rate. This level of starts represents only 12% of the peak number of starts it reached in 2005 Q4, a stunning 88% decline in starts from peak to trough.
- Housing starts will climb at a very slow pace. In 2012 Q4, housing starts will recover to 2001 levels, coming in at 166,000 starts.
- Sales of existing homes have shown strength in recent months as the 12-month moving average of sales has been on the rise since August 2008. However, prices have not yet found a bottom, and until this occurs, we will still have an unstable housing sector.
- House prices in many areas have fallen below replacement cost, a natural long-run floor for prices. Foreclosures and short sales have caused the housing market to overshoot the bottom just as it did the top.
- The Construction sector will continue to shed jobs in 2009 and 2010 at a double-digit pace, but job losses slow in 2011 to less than 1.0%, and the bleeding slows to a trickle in 2011 when the sector loses jobs at a rate of just -0.1%. The second half of 2011 will be the first time since 2007 Q1 that Florida has added jobs in this sector.
- Real Gross State Product (GSP) growth was near zero in 2007 and contracted slightly in 2008 (-0.2%). Growth will be strongly negative in 2009, contracting at -4.3% before growth reappears in 2010 Q2 and accelerates to 5.2% in 2012.
- Personal income growth will contract -1.2% in 2009 before growth begins to accelerate in 2010 to 1.9%. In 2011-2012, personal income growth will average 5.4% and hit 6.1% in 2012.
- Retail sales will contract for the first half of 2009. The second half of the year Florida's consumers, still punch drunk from the painful combination of home equity stock market losses will start spending cautiously. During the 2010-2012 time frame, retail sales will steadily accelerate and grow at an average pace of 5.8% as consumer spending returns, fueled by pent-up demand.
- Is government really "too big" in Florida?



# Forecast Recession | Recovery Timeline

Looking Forward from July 2009



The forecasts presented herein are the product of research, analysis and data interpretation by William L. Pittenger only and do not necessarily reflect the views of Seacoast National Bank, its management, officers or directors. The forecasts are based on data available through July 2009. This recovery timeline should be considered in its broadest term and relied on for high level strategic rather than tactical planning.

While there have been a few positive events that signal recovery, the economy remains mired in deep recession at virtually all levels. The current recession is now the broadest and deepest since the Great Depression of the 1930's. Many economists now refer informally to today's recession as *The Great Recession*.

Our recovery time line has not changed since last quarter. Instead, over the last quarter, there have been literally thousands of data points that reinforce our view.

A variety of economic changes being experienced today are structural rather than cyclical. For example, many job losses today, unlike those in other recessions since World War II, are permanent. That will keep unemployment elevated for several years. Florida will likely remain in the 7-8.5% range *after* recovery. That is far above its cyclical low of 3.3%.

Housing value declines in many areas have now exceeded the percentage losses during the Great Depression. While median prices will soon find bottom, they are likely to bounce along that bottom for several years. Robust growth is not likely for as much as a decade. During the last severe real estate driven recession of the late 1980's and early 1990's, it took single family housing roughly seven years to resume robust growth and condominiums 13 years. Indeed, Moody's Economy.Com has forecast 14 years from peak to peak. It took 20 years after the Great Depression. Additionally, Japan has lost half its value since peaking 15 years ago and recovery is still not in sight.

There have been approximately 100 bank failures since late 2008 when the U.S. financial system approached the brink of collapse. The total could reach 700 through 2012 – roughly equivalent, on a percentage basis, to the five year period between 1989 and 1993 when there were double the number of banks and thrifts there are today.

For the broader economy, inflation risk will remain high as the Treasury and Fed struggle to gracefully withdraw the extraordinary stimulus begun in 2008.

Questions or comments:  
Contact Bill Pittenger at  
william.pittenger@seacoastnational.com

## APPRAISAL PROCESS

In order to estimate the market value of the subject property in its “as is” condition, we have utilized the Sales Comparison Approach.

The Cost Approach has as its foundation a reliable estimate of market value for the subject site as vacant land. The land value estimate is derived by the utilization of the Sales Comparison Approach, which compares recent sales of comparable properties to the subject property, adjusting for differences between them. To the land value estimate are added all site development costs associated with transforming the land into a fully developed property, ready to support subsequent construction of the actual dwelling units. These costs include hard costs such as clearing, grading, paving, etc., as well as soft costs such as surveys, permits, legal fees, etc. The last item to be included is an allowance for entrepreneurial profit to compensate the developer for his efforts and equity position in the project. The result is an estimate of the bulk market value of the subject property as if fully developed as proposed into residential home sites ready to be built upon.

The Income Approach, also referred to as the Discounted Sellout Approach, is designed to estimate the bulk market value of the subject property, as if developed as proposed, as if each proposed lot were sold to ultimate consumers over a typical absorption period, taking into consideration all sales related costs such as real estate taxes, sales expenses, closing costs, etc. The resulting periodic cash flows are then discounted to present value and totaled, with the result being an indication of the bulk market value of the subject property, as if fully developed as proposed, into residential home sites ready to be built upon.

The Sales Comparison Approach is the process for comparing prices paid for properties having a satisfactory degree of similarity to the subject property adjusted for differences in time, location and physical characteristics. This approach is based upon the principle of substitution, which implies that a prudent purchaser would not pay more to buy a property than it would cost him to buy a comparable substitute property in a similar location.

To appraise the market value of the subject property, we have utilized the *Sales Comparison Approach* as the applicable approach in this case, to estimate a fee simple value for the land, "as is." The *Cost Approach* to value is not applicable since the subject property is vacant land, and the *Income Approach* was also deemed not appropriate due to the fact that the subject property, in its present state, is not income producing.

No limitations or restrictions prevented application of traditional appraisal methodology, and the data supplied by the client was sufficient. All data relating to sales was confirmed with buyers, sellers, or agents who were involved with or had knowledge of transactional information.

## SALES COMPARISON APPROACH

In order to estimate a land value for the subject property, we have applied the Sales Comparison method whereby sales of other similar properties which have sold in the marketplace are directly compared to the subject property and adjusted for various elements of comparison.

The subject contains 78.36± gross acres which are all considered to be developable land area. Since we are appraising the “as is” market value, we have selected comparable land sales that reflect similar development potential.

### **LAND VALUATION – AS IS**

For this analysis, the unit price per dwelling unit was utilized as the appropriate unit of comparison. Property with development potential is typically bought and sold on this basis if the information is available. This information was available for each of the comparable sales utilized. Because the subject is residential development land, we have developed a price per dwelling unit.

The appraiser has researched the subject's neighborhood as well as the Central Florida market for comparable residential use properties which have sold in the recent past. We have identified several comparable land sales which were considered appropriate for analysis of the subject land ownership interest. These sales and their application to the subject land ownership interests are detailed in this report. Each sale differs somewhat from the subject with respect to configuration, development potential, size, frontage/access, and location. These are the characteristics of a property that influence value.

As a result of the nature of the subject property, being a Residential Development Site that is currently zoned RPUD, the application of the Sales Comparison Approach is straightforward in this instance than for more uncommon property types. As would be expected, properties similar to the subject are not bought and sold with any degree of regularity. This comes as a result of the somewhat limited pool of potential purchasers for properties of this type.

Upon review of the comparable land sales analyzed, the reader will observe that none of the land sales can be considered directly comparable to the subject property. A perfect comparable land sale would be one which requires no adjustment in comparison to the subject. For properties such as the

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subject, this type of comparable market data simply does not exist. Our research into the market has been extensive, and it is our belief that the comparable market data utilized within this application of the Sales Comparison Approach is the most reliable information available. In addition, great care has been taken to ensure that the adjustments to the comparable land sales are as well supported as possible by available market data. Considering the particular characteristics of the subject property, as well as the characteristics of the comparable land sales available for our analysis, we have adjusted the comparable land sales on the basis of price paid per dwelling unit. The following sale write-ups summarize the pertinent details of each of the comparable land sales analyzed. We will then discuss the manner in which they have been adjusted toward the subject property. All of the comparable land sales have been inspected and analyzed on the basis of time of sale, location, utilities, size, etc.

We have selected residential tracts as comparables.

The following indicates the sequence of adjustments.

- Property Rights Conveyed
- Conditions of Sale
- Financing Terms
- Market Conditions (Time)
- Location
- Physical Characteristics
- Economic Characteristics

## **ADJUSTMENTS**

An explanation of the adjustments made to each comparable land sale follows. The adjustments considered were for property rights conveyed, conditions of sale, financing, market conditions as well as various physical characteristics.

### ***Property Rights Conveyed***

All of the transactions involved the sale of the fee simple interest; therefore, no adjustments were necessary with regard to property rights conveyed.

***Conditions of Sale***

All of the sales involved typically motivated buyers and sellers and no other unusual terms of sale are known. Therefore, no adjustments were applied to the comparable land sales to account for conditions of sale.

***Financing***

When a property is sold with other than typical market financing, such as a purchase money mortgage and an atypical interest rate and/or terms, the sale price will often reflect the influence of financing. All of the sales utilized in this analysis involved direct payment of cash to the seller or cash equivalent mortgage terms. Therefore, no adjustments are applied for financing.

***Market Conditions***

After extensive research and analyses of the subject neighborhood, it has been concluded that property values increased significantly from 2004 through mid-2006. These improving market conditions can be easily observed from the significant number of vacant land sales and existing home prices during this timeframe. The monthly appreciation began to slow in the 3<sup>rd</sup> quarter of 2006. The Polk County market has experienced slight declines since the 3<sup>rd</sup> Quarter of 2006. It is recognized that the market conditions have declined approximately 30±% since the peak of the market in June 2006. The declining market conditions are partially evidenced by the limited activity in the market, in terms of closed transactions, compared to the previous five years (2000-2005). These declining market conditions were considered in the adjustment process and reconciliation of market value. Therefore, we have applied a **negative 10%** annual time adjustment to all of the comparable sales.

***Location/Access***

The subject property is located within the city limits of Haines City, Polk County with significant frontage on 30<sup>th</sup> Street. Sales 1, 2, 3 and 4 were given downward adjustments based on their locational characteristics. Each of these sales was located on a major highway which is considered inferior compared to the subject. Sales 6, 7 and 8 were given upward adjustments for their inferior locations within small rural towns, and Sale 8 was also given an upward adjustment based on the dirt road access to the property.



***Size (Proposed Lots)***

The subject contains approximately 78.36 acres proposed to be developed into 247 single-family home sites. Sales 1 through 5 were given downward adjustments for their smaller proposed development sizes. Sales 6 and 7 were given upward adjustments for their larger proposed development sizes. This is under the assumption smaller developments sell at a higher price per unit.

***Net Density***

The subject's density was indicated at approximately 3.15 units per acre based on 247 lots located on 78.36± gross acres. Sales 2, 3, 5, 6 and 8 were all given downward adjustments based on their smaller proposed densities.

***Zoning***

The subject has a classified use of Residential Planned Unit Development. Sale 8 had an agricultural zoning characteristic at the time of sale. We have, therefore, given this sale an upward adjustment for its inferior zoning characteristic. Each of the remaining sales was considered similar to the subject in this manner; therefore, no adjustments were made to these sales for zoning.

***Amenity/Appeal***

The subject property does not have any amenity or appeal. Sales 4 and 7 had some waterfront property which provides an amenity to each property. Therefore, we have given both sales a downward adjustment for their superior amenity. None of the other sales were consisted to have any amenity or appeal that we believe enhanced the value of the property. Therefore, we have not made any adjustment for amenity or appeal to the remaining sales.

***Entitlements***

According to the *Dictionary of Real Estate Appraisals, Fourth Edition*, entitlement is, in the context of ownership, use and/or development of real property, the right to receive governmental approvals for annexation, zoning, utility extensions, construction permits, and occupancy/use permits. The

approval period is usually finite and may require the owner and/or developer to pay impact and/or user fees in addition to other costs to secure the entitlement. Entitlements may be transferable, subject to covenants or government protocols, may constitute vested rights, and may represent an enhancement to a property's value.

The subject property has obtained all zoning approvals but site construction approval is currently expired, which includes the development of infrastructure and streets. A preliminary plat approval was obtained before the site construction approval, which allows for the development of 247 single family residential units. Sales 1, 3, 4 and 5 had all approvals and entitlement for development at the time of sale; therefore it was not adjusted as it is considered similar to the subject. None of the other sales had entitlement approvals at the time of sale; therefore, these sales were adjusted upward.

### ***Utilities***

The subject property had permits for water (1 year) and sewer (5 years); however, at this time the water permit has expired. Sales 1 through 5 had all utilities available to site; therefore, these sales were given downward adjustments. Sales 6, 7 and 8 did not have any water or sewer permits; therefore, these sales were given upward adjustments.

### **"AS IS" MARKET VALUE CONCLUSION**

Before adjustment, the sales ranged from \$4,008 to \$22,264 per unit. After adjustments, the sales ranged from \$3,847 to \$16,409 per unit. The overall mean was \$7,336 per unit. The subject is a very attractive development tract and is considered to have good long term potential due to its location and close proximity to local schools. However, residential land values have significantly declined over the last several months with the decline of the residential housing market. Residential properties with entitlements are not seeing the enhanced value of the entitlement as they were during the height of the residential market. As such, we feel the subject's value opinion is accurately correlated near the middle to lower end of the range at \$6,500 per dwelling unit, or \$1,605,500, rounded to \$1,600,000.

**(As Is)**

**ONE MILLION SIX HUNDRED THOUSAND DOLLARS**

**(\$1,600,000).**

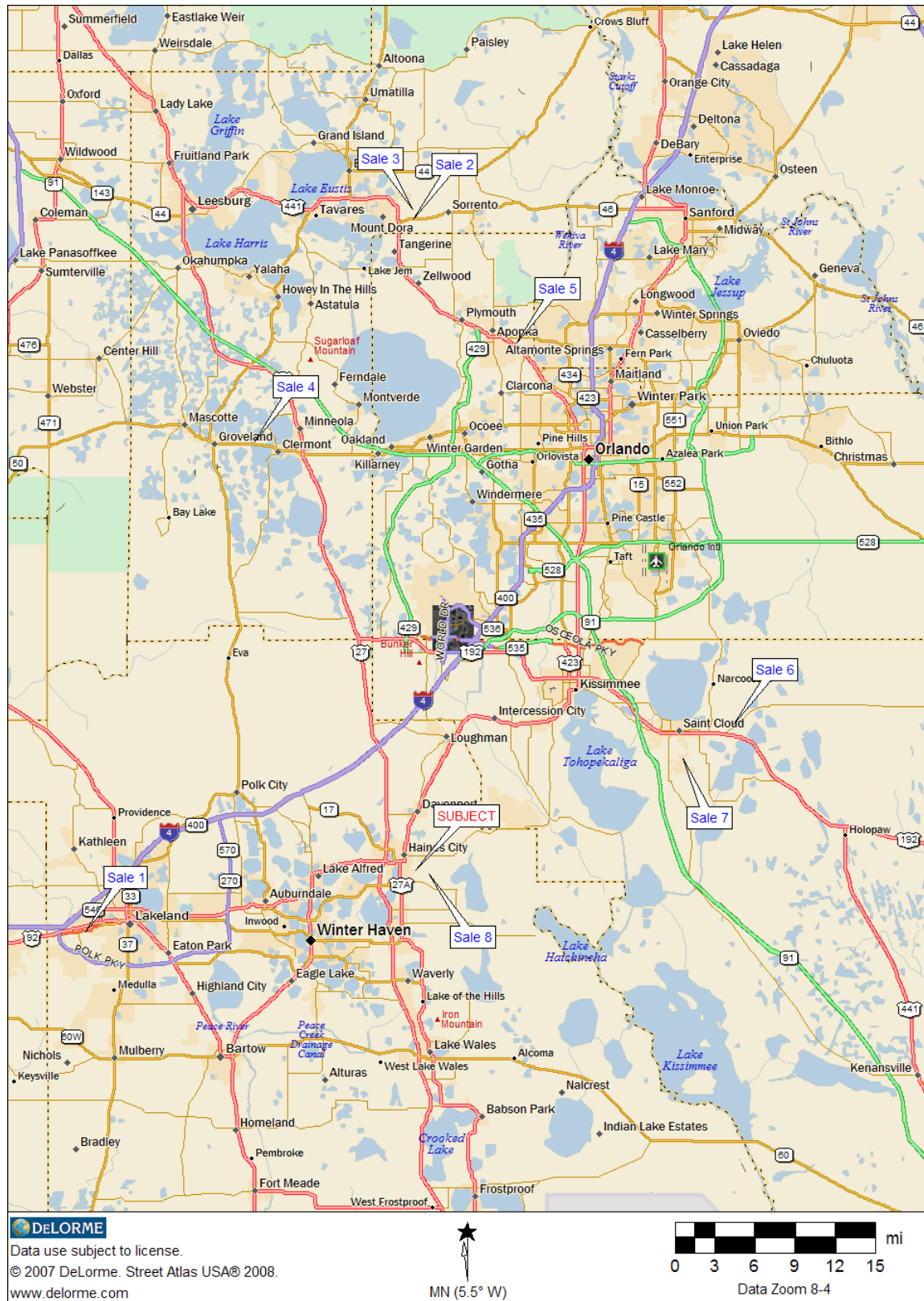
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## LAND SALES ANALYSIS

<b>SINGLE-FAMILY LAND SALES ANALYSIS GRID</b> <b>Bonnie's Landing</b> <b>"As Is" Market Value</b>									
CRM SALE #	Subject	Land Sale 1 24979	Land Sale 2 24464	Land Sale 3 24276	Land Sale 4 24173	Land Sale 5 24232	Land Sale 6 24317	Land Sale 7 24316	Land Sale 8 23639
Development	Bonnie's Landing	Laurelbrook	N/A	Wolf Creek Ridge	Waterside Pointe	Bella Sera	Lancaster Park	Southern Pines	Liberty Bluff Ph. 2
PROPOSED USE	Single-Family	Single-Family	Single-Family	Single-Family	Single Family	Single-Family	Single-Family	Single Family	Single-Family
	247 Lots	60 Lots	80 Lots	31 Lots	149 Lots	28 Lots	502 Lots	358 Lots	219 Lots
LOCATION	E Side of 30th St S of Grace Ave Haines City, Polk Co.	SS of Old Tampa Hwy E of Airport Rd Uninc Polk Co.	NWC of SR 46 & Norton Ln Uninc Lake Co.	ES of Niles Rd S of Wolf Branch Rd Uninc Lake Co.	NS of SR 50 E of Max Hooks Rd Groveland, Lake Co.	E Side of Busbee Ave N of US Hwy 441 Uninc Orange Co.	N Side of CR 532 N of US Hwy 192 Uninc Osceola Co.	SEQ of Michigan Blvd & New Nolte Rd Uninc Osceola Co.	S Side of Robinson Dr N of CR 544 Haines City, Polk Co.
<b>SALES INFORMATION</b>									
Date of Sale	N/A	Oct-09	May-09	Jan-09	Jan-09	Dec-08	Dec-08	Nov-08	Feb-08
Sale Price	N/A	\$325,000	\$725,000	\$550,000	\$3,293,900	\$200,000	\$2,500,000	\$1,435,000	\$4,875,900
Amenity/Appeal	None	None	None	None	Crystal Lake	None	None	None	None
Zoning/Approvals	RPUD	RL-4	R-2	PUD	PUD	R-1	SPUD	SPUD	R-1A
# Proposed Units in Project	247	60	80	31	149	28	502	358	219
Net Developable Acreage	78.36	17.77	36.57	19.49	42.03	9.88	189.00	112.20	130.01
Land Size (Gross Acres)	78.36	22.77	39.57	19.49	48.75	9.88	299.35	152.03	130.01
Net Density	3.15	3.38	2.19	1.59	3.55	2.83	2.66	3.19	1.68
Shape/Configuration	Rectangular	Mostly Rectangular	Rectangular	Rectangular	Irregular	Rectangular	Irregular	Irregular	Irregular
Access	Good	Good	Good	Good	Good	Good	Good	Good	Good
Utilities	Water & Sewer Permits	All Available	All Available	All Available	All Available	All Available	All Available	All Available	None
Price/Acre		\$18,289	\$19,825	\$28,220	\$78,370	\$20,248	\$13,228	\$12,790	\$37,504
Price/Lot		\$5,417	\$9,063	\$17,742	\$22,107	\$7,143	\$4,980	\$4,008	\$22,264
<b>PRIMARY ADJUSTMENTS</b>									
Property Rights	Fee Simple	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Financing Terms	Cash Equivalent	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Conditions of Sale	Arms Length	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Market Conditions (-10%)	5/3/2010	-5.3%	-9.6%	-13.0%	-13.2%	-13.4%	-13.7%	-14.4%	-22.4%
Net Primary Adjustment		-5.3%	-9.6%	-13.0%	-13.2%	-13.4%	-13.7%	-14.4%	-22.4%
Price/Acre		\$17,321	\$17,928	\$24,548	\$68,005	\$17,527	\$11,411	\$10,947	\$29,096
Adjusted Price/Lot		\$5,130	\$8,195	\$15,434	\$19,183	\$6,183	\$4,296	\$3,431	\$17,273
<b>OTHER ADJUSTMENTS</b>									
Location/Access	Haines City, Polk Co.	-5.0%	-10.0%	-5.0%	-20.0%	0.0%	10.0%	10.0%	5.0%
Property Size (Proposed Lots)	247	-15.0%	-15.0%	-20.0%	-10.0%	-20.0%	30.0%	15.0%	0.0%
Net Density	3.15	0.0%	-10.0%	-15.0%	0.0%	-5.0%	-5.0%	0.0%	-15.0%
Zoning	RPUD	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Amenity/Appeal	None	0.0%	0.0%	0.0%	-20.0%	0.0%	0.0%	0.0%	-10.0%
Entitlements	All	0.0%	10.0%	0.0%	0.0%	0.0%	10.0%	10.0%	10.0%
Utilities	Water & Sewer Permits	-5.0%	-5.0%	-5.0%	-5.0%	-5.0%	5.0%	5.0%	5.0%
Net Other Adjustment		-25.0%	-30.0%	-45.0%	-55.0%	-30.0%	50.0%	40.0%	-5.0%
Price/Acre		\$12,991	\$12,549	\$13,501	\$30,602	\$12,269	\$17,116	\$15,326	\$27,641
Final Adjusted Price/Lot		\$3,847	\$5,737	\$8,488	\$8,632	\$4,328	\$6,444	\$4,803	\$16,409
<div> <div> <b>Per Lot</b>  Median \$6,090  Mean \$7,336  Std. Dev. \$4,076 </div> <div> <b>ESTIMATED LAND MARKET VALUE</b>  Proposed Lots 247  Estimated Unit Value \$6,500  As Is Market Value \$1,605,500    <b>ROUNDED TO: \$1,600,000</b> </div> </div>									

## LAND SALES MAP



**CLAYTON, ROPER & MARSHALL**

24979

LAND SALE 1



TYPE OF PROPERTY

Vacant Agricultural / Residential Land

RECORDED

O.R. Book 8002, Page 1722, Polk County, Florida

GRANTOR

JMAX, LLC

GRANTEE

Lakeland Habitat for Humanity, Inc.

SALE DATE

October 23, 2009

SITE DESCRIPTION

The site is irregular in shape and comprised of 2 contiguous tax parcels. According to the Polk County Property Appraiser, the site is comprised of approximately 22.74 gross acres, all of which is considered probable uplands available for development. However, the listing broker stated that the property contains 22.77 gross acres, of which about 5 acres are undevelopable because of power line easements. The site has approximately 300± of primary frontage along the south side of Old Tampa Highway. The site also has two 10' wide strips of frontage along the south side of Old Tampa Highway at the east and west borders of the site. All utilities were available to the site.

SALE PRICE

\$325,000

**CLAYTON, ROPER & MARSHALL**

24979  
Page 2

LAND SALE 1  
(Cont'd)

ANALYSIS

\$14,273 per Gross Acre  
\$18,289 per Upland Acre  
\$5,417 per proposed unit

TYPE OF INSTRUMENT

Warranty Deed

LOCATION

The site is located along the south side of Old Tampa Highway approximately  $\frac{3}{4}$  mile east of County Road 572 (Airport Road), within unincorporated Lakeland, Polk County, Florida.

ZONING

Residential Low Density, Polk County

FUTURE LAND USE

RL-4, Residential Low Density, Polk County  
(Maximum Density 4 Units per Acre)

ENCUMBRANCES

There are power lines running across the property.

IMPROVEMENT DESCRIPTION

The site was improved with two barn and shed structures which were not considered to add any contributory value to the underlying land.

PRESENT USE

Improved Pasture

HIGHEST AND BEST USE

Future Residential Subdivision Development

CONDITIONS OF SALE

Arm's Length

FINANCING

Cash to Seller

VERIFICATION

Property Data Sources:

Polk County Property Appraiser, Warranty Deed, LoopNet ID#'s 2361177 & 15109710, Phil Mays (Listing Broker)

Telephone:

(863) 647-0862

Date:

May 5, 2010

Verified by:

Richard B. Williams

MOTIVATIONS OF PARTIES

Typical Motivations

CASH EQUIVALENCY

N/A



24979  
Page 3

LAND SALE 1  
(Cont'd)

COMMENTS

Comments from LoopNet listing: Laurelbrook is a 22 acre property subdivided for 60 SFR home sites. The majority of the planned lots are 55' x 120'. The development has a SWFWMD permit; water and sewer approval letter from the City of Lakeland for 64 SFR. Site plan and plat have been submitted to the county and awaiting final approval. Utility construction drawings have been submitted to the city of Lakeland and are in review. Listing broker has copies of the SWFWMD permit, city of Lakeland utility letter and site plan.

This property was in the final stages of the entitlement process (90% according to the listing broker) when the market began to decline. The listing broker stated that Habitat for Humanity will construct low to middle income housing but he was unsure if they were going to use the same proposed plan.

SALE HISTORY

According to the Polk County Property Appraiser's records, the property transferred for \$510,000 on February 10, 2006, recorded in O.R. Book 6636, Page 1756.

LEGAL DESCRIPTION

The lengthy legal description is retained in the appraisers' file.

TAX IDENTIFICATION

23-28-21-000000-021070, -021030

24464

LAND SALE 2



TYPE OF PROPERTY

Vacant Residential

RECORDED

O.R. Book 3775, Page 1785, Lake County

GRANTOR

ASC Properties, Inc.

GRANTEE

Route 46 Properties LLC

SALE DATE

May 19, 2009

INSPECTION DATE

April 2, 2009

SITE DESCRIPTION

The site was basically rectangular in shape with frontage along the north side of State Road 46 totaling 1,328 linear feet. The site also had frontage along the west side of Norton Lane. The site totaled 39.57 gross acres, of which 36.57 acres were useable. Municipal water and sewer service would be available with annexation to the City of Mount Dora. Lake County does not provide utilities but typically has joint agreements with the cities for water and sewer service.

SALE PRICE

\$725,000

**CLAYTON, ROPER & MARSHALL**

24464  
Page 2

LAND SALE 2  
(Cont'd)

ANALYSIS

\$18,322 per gross acre  
\$9,063 per proposed dwelling unit

TYPE OF INSTRUMENT

Special Warranty Deed

LOCATION

The site is located along the northwest corner of State Road 46 and Norton Lane in the Mount Dora portion of unincorporated Lake County, Florida. The street address is 31151 Bobwhite Lane.

ZONING

R-2 Residential, Lake County

FUTURE LAND USE

Suburban – Base Density 1DU/5 Gross AC, Wekiva Study Area, Lake County  
Possible 3DU/Acre with PUD

Pending Amendment to – Urban Low Density (4DU/Acre)

PRESENT USE

Agricultural

HIGHEST AND BEST USE

Residential Development

CONDITIONS OF SALE

Arms Length

FINANCING

Third Party Financing

ENCUMBRANCES

None noted

IMPROVEMENT DESCRIPTION

No improvements at the time of sale.

VERIFICATION

With/Relationship:  
Telephone Number:  
Date:  
Verified by:

David Croson, Grantee Representative  
(407) 380-6525  
July 9, 2009  
John D. Glass

MOTIVATIONS OF PARTIES

Typical motivations

CASH EQUIVALENCY

Cash Equivalent Sale

COMMENTS

The site was purchased for future development of approximately 80 dwelling units, for possibly adult-assisted living.

24464  
Page 3

LAND SALE 2  
(Cont'd)

According to the Lake County Planning Department, the sale property is pending a future land use amendment to Urban Low Density allowing for residential development at a maximum density of 4 DU/Acre. The land use amendment is a necessary county wide amendment including multiple properties and is expected to be adopted on May 25, 2010.

SALE HISTORY

The site sold previously in December 2005 for the sale price of \$880,000 as recorded in Lake Co. Official Record Book 3039, Page 1460. No sales per the Lake County Property Appraiser in the past five years.

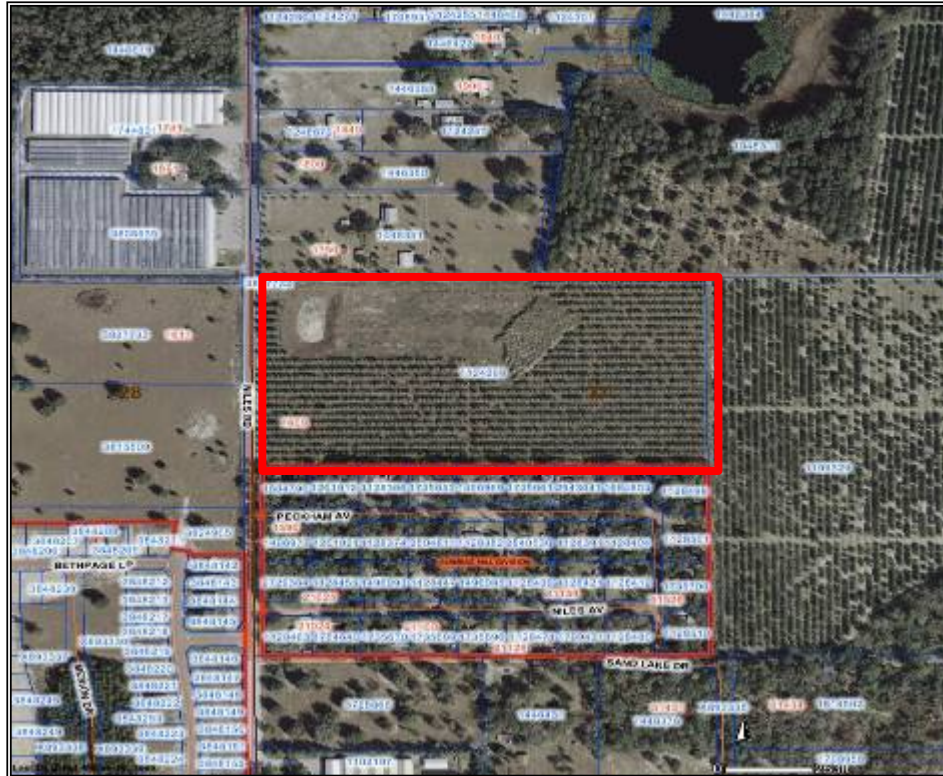
LEGAL DESCRIPTION

Lengthy, in appraisers file

TAX ID NUMBER

1927-27-0003-00-01000, 03700

24276

LAND SALE 3TYPE OF PROPERTY

Vacant Residential Land

RECORDED

O.R. Book 3721, Page 1149, Lake County, Florida

GRANTOR

Amberleigh, LLC.

GRANTEE

City of Mount Dora

SALE DATE

January 15, 2009

INSPECTION DATE

April 14, 2009

SITE DESCRIPTION

The site is rectangular in shape with 626.11 feet of frontage along the east side of Niles Road, containing 19.49+/- acres of land area. All 19.49+/- acres is considered developable land. The site is basically level and currently comprised of a citrus grove. The city of Mount Dora has a water well at the northwest corner of the site. All utilities were directly available to the site.

SALE PRICE

\$550,000

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**CLAYTON, ROPER & MARSHALL**

24276  
Page 2

LAND SALE 3  
(Cont'd)

ANALYSIS

\$28,220 per Gross Acre  
\$17,742 per Proposed Lot

TYPE OF INSTRUMENT

Warranty Deed

LOCATION

The property is located along the east side of Niles Road, ½ south of Wolf Branch Road, within the City of Mount Dora, Lake County, Florida.

ZONING

Planned Unit Development (PUD), City of Mount Dora

FUTURE LAND USE

Low Density Residential (4 DU/AC), City of Mount Dora

PRESENT USE

Vacant Residential Land

HIGHEST AND BEST USE

Low Density Residential Development

CONDITIONS OF SALE

Arm's Length Transaction

FINANCING

Cash to Seller

ENCUMBRANCES

Typical Utility Easements

IMPROVEMENT DESCRIPTION

None at the time of sale

VERIFICATION

With/Relationship:  
Telephone Number:  
Date:  
Verified by:

Mr. Ron Fenn, Representative of Grantor  
(407) 352-8002  
April 10, 2009  
Vaughn Fakess

MOTIVATIONS OF PARTIES

Grantee-Wanted site for Water Well and Public Park

CASH EQUIVALENCY

\$550,000

COMMENTS

The grantee purchased the site for a water well station and public park. According to Mr. Ron Fenn, the developer, Amberleigh, LLC will construct the park and retention area as originally plan on the Wolf Creek Ridge site plan. The city of Mount Dora will maintain the facilities. The property was value by the city appraiser as vacant residential land approved for 31 single-family lots (Phase 3 Wolf Creek Ridge).



24276  
Page 3

LAND SALE 3  
(Cont'd)

SALE HISTORY

According to the records of the Lake County Property Appraiser, the site was part of the 98+/- acre purchase of the entire Wolf Creek Ridge site in May 2004 for \$3,783,000. There have been no other recorded transactions involving this property in the previous five years.

LEGAL DESCRIPTION

Lengthy metes and bounds, on file

TAX ID NUMBER

27-19-27-0002-000-00600

24173

LAND SALE 4TYPE OF PROPERTY

Vacant Residential Land

RECORDED

O.R. Book 3719, Page 0766, Lake County, Florida

GRANTOR

Arlington-Clermont Investments, LLC

GRANTEE

The Ryland Group, Inc.

SALE DATE

January 7, 2009

SITE DESCRIPTION

The site is irregular in shape and consists of 48.75 gross acres, of which 42.03 acres are considered usable. The site has approximately 1,235 feet of frontage along the north side of State Road 50. The site also has approximately 2,900 feet of frontage along the west shoreline of Lake Hiawatha. The site has been leveled and all public utilities are available to the site.

SALE PRICE

\$3,293,900

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**CLAYTON, ROPER & MARSHALL**

24173  
Page 2

LAND SALE 4  
(Cont'd)

ANALYSIS

\$67,567 per Gross Acre  
\$78,370 per Net Acre  
\$22,107 per Lot  
\$426 per Front Foot of Lot Width

TYPE OF INSTRUMENT

Warranty Deed

LOCATION

The site is located along the north side of State Road 50, just east of Max Hooks Road, within the city limits of Groveland, Lake County, Florida.

ZONING

PUD, Planned Unit Development

FUTURE LAND USE

Mixed Development

PRESENT USE

Vacant Land

HIGHEST AND BEST USE

Residential Development

CONDITIONS OF SALE

Arm's Length Transaction

FINANCING

Cash to Seller

ENCUMBRANCES

None

IMPROVEMENT DESCRIPTION

None at the time of sale

VERIFICATION

With/Relationship:  
Telephone Number:  
Date:  
Verified by:

Steve Rosser, Grantee Representative  
(407) 872-1203 ext. 2504  
February 26, 2009  
Richard Williams

MOTIVATIONS OF PARTIES

Typical of the market

CASH EQUIVALENCY

None

EXPOSURE TIME

NA

NUMBER OF DAYS ON MARKET

N/A

24173  
Page 2

LAND SALE 4  
(Cont'd)

COMMENTS

The property was purchased for the development of Phase 2 of Waterside Pointe Subdivision. Waterside Pointe will be fully developed with 525 lots containing single-family homes and townhomes. Phase 2 will contain approximately 149 lots consisting mostly of single-family lots. According to the Site Plan, there are 72 50' wide lots, 44 60' wide lots, and 33 45' wide lots. According to Mr. Rosser, Phase 1 site work is completed and about 20 homes have closed and about 5 homes are under construction. Mr. Rosser stated that the Phase 2 land has been leveled and site work for the lots will begin in April or May 2009.

The community surrounds 220-acre Crystal Lake and some homesites will have lake frontage and others will have canal access leading to Lake Minneola. Amenities include clubhouse, pool, cabana, exercise room, tot lot and sports court.

SALE HISTORY

There were no other arm's length transactions in the previous five years.

LEGAL DESCRIPTION

Lengthy legal description retained in appraiser's file.

TAX ID NUMBER

22-22-25-0002-000-002

24232

LAND SALE 5TYPE OF PROPERTY

Vacant Single-Family Residential Land

RECORDED

O.R. Book 9831, Page 4335, Orange County, Florida

GRANTOR

Loanz Boyz, LLC

GRANTEE

Carlos Rodriguez

SALE DATE

December 30, 2008

INSPECTION DATE

April 2, 2008

SITE DESCRIPTION

The subject property is rectangular in shape, with 533.50 feet of frontage along the east side of Busbee Avenue containing 9.8775+/- gross acres, or 430,264 square feet of land area. All the acreage is considered developable land. All utilities are available to site.

SALE PRICE

\$200,000

ANALYSIS

\$20,248 per Acre  
\$7,143 per Proposed Lot

TYPE OF INSTRUMENT

Warranty Deed

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**CLAYTON, ROPER & MARSHALL**

24232  
Page 2

LAND SALE 5  
(Cont'd)

LOCATION

The subject is located along the east side of Busbee Avenue, approximately 1/4 mile north of Orange Blossom Trail (US Highway 441), within unincorporated Apopka, Orange County, Florida. The physical address is 915 Busbee Avenue.

ZONING

R-1, Orange County

FUTURE LAND USE

Low Density Residential (0-4 du/ac), Orange County

PRESENT USE

Vacant residential land

HIGHEST AND BEST USE

Residential Development

CONDITIONS OF SALE

Arm's Length Transaction

FINANCING

Cash to Seller

ENCUMBRANCES

None noted

IMPROVEMENT DESCRIPTION

The site is improved with a single-family residence and some auxiliary structures, which will be demolished and were given no contributory value.

VERIFICATION

With/Relationship:  
Telephone Number:  
Date:  
Verified by:

Frank Alduino, Realtor  
(407) 247-7909  
April 3, 2009  
Vaughn Fakess

MOTIVATIONS OF PARTIES

Typical of the market

CASH EQUIVALENCY

N/A

COMMENTS

At the time of contract, the site was fully permitted for the development of a 28 single-family lot subdivision to be known as Bella Sera. A typical lot is 90 feet wide by a depth of 107 feet, containing 9,630 square feet of land area.

SALE HISTORY

According to the records of the Orange County Property Appraiser, the property last sold in January 2006 for \$1,000,000, as recorded O.R. Book 8455 Page 4333. No prior five year sales history.



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Page 3

LAND SALE 5  
(Cont'd)

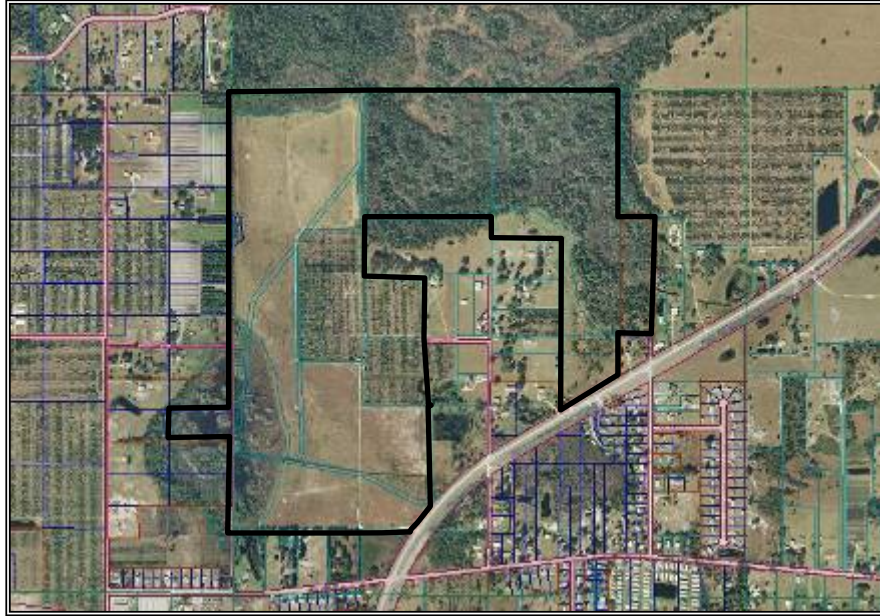
LEGAL DESCRIPTION

The south 10 acres of the West 5/8<sup>th</sup> of the northeast ¼ of the Northeast ¼ of Section 14, Township 21 South, Range 28 East, less the west 30 feet for road right-of-way, Orange County, Florida.

TAX ID NUMBER

14-21-28-0000-00-031

24317

LAND SALE 6

<u>TYPE OF PROPERTY</u>	Vacant Residential
<u>RECORDED</u>	O.R. Book 3778, Page 789, Osceola County
<u>GRANTOR</u>	Centex / Meritage at Lancaster Park LLC
<u>GRANTEE</u>	JTD Land at Lancaster Park LLC
<u>SALE DATE</u>	December 19, 2008
<u>INSPECTION DATE</u>	April 29, 2009
<u>SITE DESCRIPTION</u>	The site was irregular in shape with frontage along the north side of County Road 532. The site consisted of improved pastures, wooded freshwater marshes and was relatively flat. The land area totaled 299.35 gross acres and 189.0 net upland acres.
<u>SALE PRICE</u>	\$2,500,000
<u>ANALYSIS</u>	\$13,228 per net upland acre. \$4,980 per proposed dwelling unit
<u>TYPE OF INSTRUMENT</u>	Special Warranty Deed

24317  
Page 2

LAND SALE 6  
(Cont'd)

LOCATION

The site is located along the north side of County Road 532, north of US Highway 192. The site also had frontage along the north side of Druliner Road, in the St. Cloud portion of unincorporated Osceola County, Florida. The street address was 1788-1870 Druliner Road.

ZONING

SPUD, Planned Unit Development, Osceola County

FUTURE LAND USE

Residential

PRESENT USE

Agricultural

HIGHEST AND BEST USE

Residential

CONDITIONS OF SALE

Arms Length

FINANCING

All Cash

ENCUMBRANCES

None noted

IMPROVEMENT DESCRIPTION

No improvements at the time of sale.

VERIFICATION

With/Relationship:  
Telephone Number:  
Date:  
Verified by:

Craig Harris, Grantee Representative  
407-913-0067  
May 4, 2009  
John D. Glass

MOTIVATIONS OF PARTIES

Typical motivations

CASH EQUIVALENCY

Cash Equivalent Sale

COMMENTS

The site was purchased by the Jr Davis Construction to hold for investment from Centex Homes / Meritage Homes. The site was approved for development of 502 single-family residential units from 50' – 70' width lots. The sale included site engineering soft costs. The development name is Lancaster Park. The most recent sale price indicated an annual change in value of 36.56%.

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Page 3

LAND SALE 6  
(Cont'd)

SALE HISTORY

The site was assembled from 2003-2004 by Terry Hagen and sold to the grantor on September 22, 2006 as recorded in Osceola Co. Official Record Book 3305, Page 1634 for the purchase price of \$13,912,500. No other sales per the Osceola County Property Appraiser in the past five years.

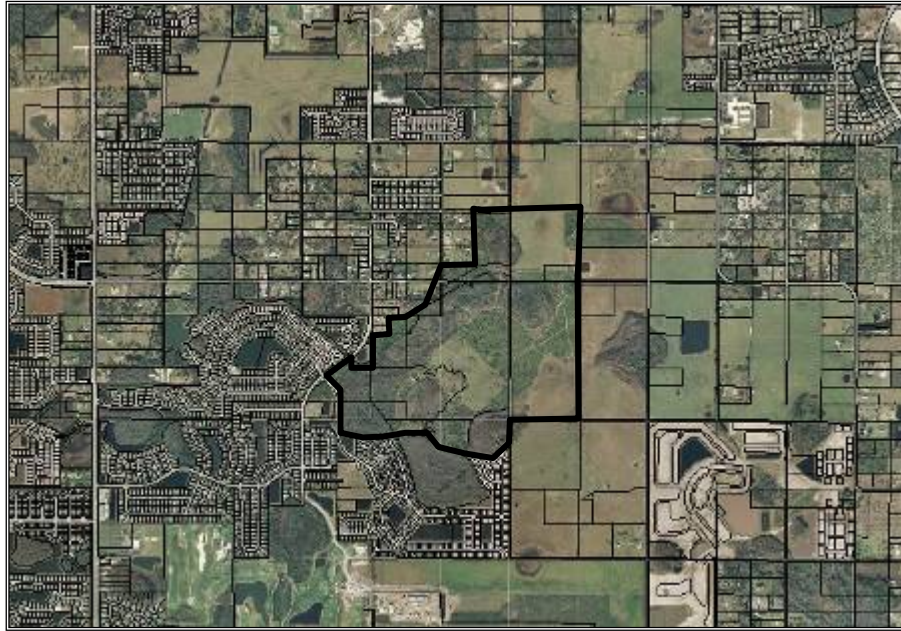
LEGAL DESCRIPTION

Lengthy, in appraisers file

TAX ID NUMBER

04263100U000520000  
04263100U000530000  
04263100U000600000  
04263100U000900000  
04263100U001000000  
04263100U001100000  
04263100U002400000  
052631072500010810

24316

LAND SALE 7TYPE OF PROPERTY

Vacant Residential

RECORDED

O.R. Book 3771, Page 1147, Osceola County

GRANTOR

Maronda Homes Inc. of Florida

GRANTEE

JTD Land at Southern Pines

SALE DATE

November 25, 2008

INSPECTION DATE

April 2, 2009

SITE DESCRIPTION

The site was irregular in shape with frontage along the terminus of Snail Kite Avenue. The site totaled 152.03 gross acres, of which 112.20 acres was useable uplands. The remainder consisted of freshwater marshes.

SALE PRICE

\$1,435,000

ANALYSIS

\$12,790 per net acre  
\$4,008 per proposed dwelling unit

TYPE OF INSTRUMENT

Special Warranty Deed

LOCATION

The site is located at the northeast boundary of the Southern Pines Phase 1 development, at the southeast quadrant of Michigan Boulevard and New Nolte Road in the St. Cloud portion of unincorporated Osceola County.

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**CLAYTON, ROPER & MARSHALL**

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Page 2

LAND SALE 7  
(Cont'd)

FUTURE LAND USE / ZONING

SPUD, Planned Unit Development – Osceola County

PRESENT USE

Agricultural

HIGHEST AND BEST USE

Commercial

CONDITIONS OF SALE

Arms Length

FINANCING

Third Party Financing

ENCUMBRANCES

None noted

IMPROVEMENT DESCRIPTION

No improvements at the time of sale.

VERIFICATION

With/Relationship:  
Telephone Number:  
Date:  
Verified by:

Craig Harris, Grantee Representative  
(407) 931-0067  
April 2, 2009  
John D. Glass

MOTIVATIONS OF PARTIES

Typical motivations

CASH EQUIVALENCY

Cash Equivalent Sale

COMMENTS

The site was originally purchased by the grantor from the grantee in January 2006 for the purchase price of \$2,226,400 from David and Clay Jowers in an all cash transaction for improvement with 358 single-family residential lots, adjacent to the first phase of the Southern Pines planned unit development. The grantor then decided not to hold the land and sold it to the grantee in an arms length transaction. The current sale represents an overall value depreciation of 12.3% annually since the previous sale.

SALE HISTORY

\$2,226,400 in January 2006. No sales per the Osceola County Property Appraiser in the past five years.

LEGAL DESCRIPTION

Lengthy, in appraisers file

TAX ID NUMBER

2630-13-0725-0001-0370, 0060, 1050, 0070, 1210



23639

LAND SALE 8TYPE OF PROPERTY

Vacant Agricultural / Residential Land

RECORDED

O.R. Book 7551, Page 1349, Polk County, Florida

GRANTOR

Liberty Bluff Homes, LLC

GRANTEE

Nola Land Company, Inc.

SALE DATE

February 6, 2008

SITE DESCRIPTION

The site is irregular in shape and comprised of 11 contiguous tax parcels. According to the Polk County Property Appraiser, the site is comprised of approximately 130.01 gross acres, all of which is considered probable uplands available for development. Approximately 100 acres of the site are improved as productive citrus grove with the remaining 30 acres comprised of improved pasture. The site has approximately ¼ mile of frontage along the south side of Robinson Drive. The site is located adjacent to lands that have recently been mined. The mining has left a water front view at the southeast corner of the site. All utilities were available within reasonably close proximity to the site.

SALE PRICE

\$4,875,900

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**CLAYTON, ROPER & MARSHALL**

23639  
Page 2

LAND SALE 8  
(Cont'd)

ANALYSIS

\$37,504 per Gross Acre  
\$37,504 per Upland Acre  
\$22,264 per proposed unit

TYPE OF INSTRUMENT

Warranty Deed

LOCATION

The site is located along the south side of Robinson Drive approximately ¼ mile north of County Road 544 (Lake Marion Road) and approximately 1 ½ miles west of Lake Marion within the city limits of Haines City, Florida.

ZONING

Residential Low Density, Haines City

FUTURE LAND USE

Residential Low Density, Haines City  
(Maximum Density 4 Units per Acre)

ENCUMBRANCES

None Reported

IMPROVEMENT DESCRIPTION

The site was improved with a 996 SF single-family residence that was originally constructed in 1950. The residence was not considered to add any contributory value to the underlying land.

PRESENT USE

Citrus Grove / Improved Pasture

HIGHEST AND BEST USE

Future Residential Subdivision Development

CONDITIONS OF SALE

Arm's Length

FINANCING

Cash to Seller

VERIFICATION

Property Data Sources:

Polk County Property Appraiser  
Haines City Planning Department  
National Wetland Inventory Map  
MLS# P4583266  
Warranty Deed

Transaction Participant:

Crosby & Associates, Inc. - Listing  
(863) 293-5600

Telephone:

Date:

June 30, 2008

Verified by:

Ryan L. Zink, MAI

MOTIVATIONS OF PARTIES

Typical Motivations

CASH EQUIVALENCY

N/A

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**CLAYTON, ROPER & MARSHALL**

23639  
Page 3

LAND SALE 8  
(Cont'd)

COMMENTS

This site is part of larger assemblage taking place by Nola Land Company. Other parcels to the east have been recently assembled by Lake Marion Development Group, LLC. The trend is for parcels in the surrounding area to be annexed from unincorporated Polk County into the city limits of Haines City. This property has recently been annexed into Haines City with a future land use classification of Residential Low Density.

The site is proposed for the development of a single family subdivision to be known as Liberty Bluff, Phase 2. The development will consist of 219 single family units. The site does not have a water permit from the City of Haines City. This property was in the beginning stages of the entitlement process when the Grantee acquired the property. Based on the Residential Development Activity Projection Report prepared by the City of Haines City on September 18, 2008, the project has stopped.

SALE HISTORY

According to the MLS, approximately 100 acres of this parcel were purchased by Liberty Bluff Homes, LLC in April 2006 for \$2,505,615.

LEGAL DESCRIPTION

The lengthy legal description is retained in the appraisers' file.

TAX IDENTIFICATION

27-27-35-000000-034020  
27-27-35-000000-034030  
27-27-35-000000-034040  
27-27-35-000000-043040  
27-27-34-000000-021010  
27-27-35-000000-043010  
27-27-35-000000-041020  
27-27-35-000000-042010  
27-27-35-000000-043020  
27-27-35-000000-041030  
27-27-35-000000-012040

## CHECK OF REASONABLENESS OF VALUE INDICATION

As a check of our “as is” market value indication, we have surveyed the neighborhood for for-sale listings of comparable developments in a close proximity to the subject. We have found comparable properties with approvals and entitlements similar to the subject. We have used the for-sale listings to provide support of our opinion of value for the subject. The following describes each of the properties as well as a short narrative on each property.

**Listing 1 (Ridgeview Place)** is located along the east side of 20<sup>th</sup> Street at McKeown Avenue, north of Baker Dairy Road within the City of Haines City, Polk County, FL. The property is listed for sale by Todd Brown of Florida Property For Sale LLC. This property was initially listed for sale in August 2005 at \$2,550,000 and was later reduced to \$997,000. The current asking price is \$799,000 or \$7,683 per lot for the proposed 104 lot subdivision. The property is zoned R-2 and is L-shaped with a total of 30+/- gross/net acres. The site does have water and sewer available. The site has zoning approval and a preliminary site plan plat was prepared but was not fully approved. This is a short sale listing.

**Listing 2 (Sunset Hills)** is located along the south and east sides of Old Lucerne Park Road, north of State Highway 44, within the City of Winter Haven, Polk County, FL. The property is listed for sale by Sean Harper of Harper Realty & Development Co. Inc. The current asking price is \$769,900 or \$5,532 per lot for the proposed 139 lot subdivision. The property is zoned PUD and is irregular in shape with a total of 45.38+/- gross/net acres. The site has water and sewer available, is fully entitled and ready for development.

**Listing 3 (Ashley Grove)** is located along the south side of Sheffield Road, west of Spirit Lake Road, within the unincorporated Winter Haven, Polk County, FL. The property is listed for sale with Coldwell Banker Commercial. This property was initially listed for sale in September 2007 at \$1,975,000 or \$25,000 per lot for the proposed 79 lot subdivision. The property is zoned RL-1 and is L-shaped in shape with a total of 29.65+/- gross/net acres. The site does have water and sewer available. The site has zoning approval and engineering and permitting was completed.

**Listing 4 (Lincoln Avenue)** is located along the north side of Lincoln Avenue, east of US Highway 27, within the Town of Dundee, Polk County, FL. The property is listed for sale by Bountiful Lands, Inc. The current asking price is \$2,800,000 or \$14,583 per lot for the proposed 192 lot subdivision. The property is zoned RSF-3 and is irregular in shape with a total of 40+/- gross/net acres. The site does have water and sewer available. The site has zoning approval and a pre-approved site plan.

**Listing 5 (HL Smith Road)** is located along the east side of HL Smith road just north of Lake Mable Loop Road, within the Town of Dundee, Polk County, FL. This property is listed for sale with Coldwell Banker Commercial. The property has a listing price of \$1,600,000 or \$10,323 per proposed lot and has been on the market about two years. The property is proposed for a 155 lot single-family subdivision on approximately 40 acres. The property is zoned RSF-2 and is rectangular shaped in configuration. The site currently does not have water or sewer available. The property developer has obtained preliminary plat approvals for the subject property.

**Listing 6 (Towerview)** is located along the southwest corner of Lake Mabel Loop Road and Tindel Camp Road, within the Town of Dundee, Polk County, FL. This property is listed for sale with Coldwell Banker Commercial and has been on the market approximately three years. The property has a listing price of \$7,187,500 or \$17,879 per proposed lot. The property is proposed for a 402 lot single-family subdivision on approximately 112 acres. The property is zoned Agricultural and is rectangular shaped in configuration. The site currently does not have water or sewer available. A site plan has been prepared but no approvals are in place.

**Listing 7 (Dundee Estates)** is located along the south and west side of Welsh Road just southwest of US Highway 17, within the Town of Dundee, Polk County, FL. This property is listed for sale with Richard Saunders of Country View Realty and Development. Mr. Saunders stated the property was reduced in price from \$3,264,000 or \$12,000 per proposed lot to \$1,471,900 or \$5,411 per proposed lot, and has more recently been reduced to \$1,061,900 or \$3,904 per lot. He stated the property has been on the market for over two years and the owner is becoming desperate to the sell the property. Mr. Saunders has seen little interest in the property since its listing date. The property is proposed for a 272 lot single family subdivision on approximately 76 acres. The property is zoned RSF-1 and is "L" shaped in configuration. The site currently does not have water or sewer available; however, Mr. Saunders stated that the developer has purchased water permits and the main water line is just

north of the property. The property developer also has obtained preliminary plat approvals and has an approved construction plan, which allows for site work construction and the development of infrastructure.

**Listing 8 (Citrus Hills)** is located at the southwest quadrant of US Highway 17 and Welsh Road, within the Town of Dundee. This property is listed for sale with Richard Saunders of Country View Realty and Development. Mr. Saunders stated the listing price is currently being reduced from \$1,215,000 or \$15,000 per proposed lot to \$463,450 or \$5,722 per lot. The property has been on the market well over two years. Mr. Saunders has seen little interest in the property since its listing date. The property is proposed for an 81 lot single family subdivision on approximately 31 acres. The property is zoned RSF-1 and is "L" shaped in configuration. The site currently does not have water or sewer available; however, Mr. Saunders stated that the developer has purchased water permits and the main water line is just north of the property. The property developer also has obtained preliminary plat approvals and has an approved construction plan which allows for site work construction and the development of infrastructure.

We have applied a negative listing status adjustment for each of the properties as they are all active listings. We have made this adjustment due to our observation that properties listed for sale typically do not sell at the listing price. We have also observed in today's recessionary market that properties are selling far below their listing price.

## CONCLUSIONS

Before adjustment, the listings ranged from \$3,904 to \$25,000 per unit. After adjustments, the listings ranged from \$2,869 to \$15,644 per unit. The overall mean was \$7,576 per unit.

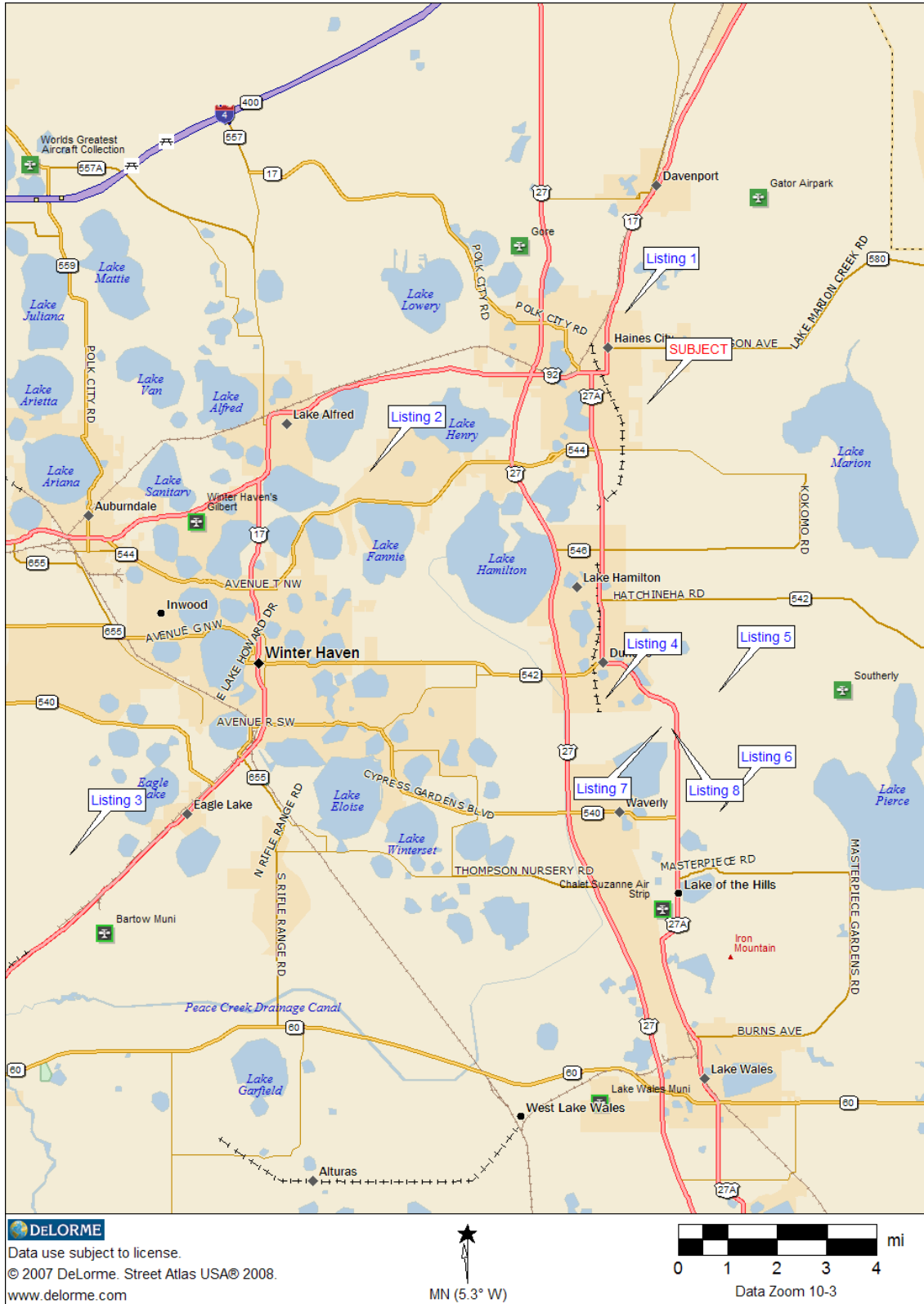
We believe the current market value of the subject to be near the middle to low end of the range which supports our opinion of market value from the previous Sales Comparison Approach analysis. According to broker interviews, the subject neighborhood is in a state of decline with residential property values declining month over month with very little activity. We believe that, along with the well documented decline on Wall Street and the current "credit crunch", our opinion of value to be reasonably conservative and appropriate with the current state of the national economy.



## LISTINGS ANALYSIS

SINGLE-FAMILY LAND LISTING ANALYSIS GRID									
Bonnie's Landing									
	Subject	Listing 1	Listing 2	Listing 3	Listing 4	Listing 5	Listing 6	Listing 7	Listing 8
Development	Bonnie's Landing	Ridgeview Place	Sunset Hills	Ashley Grove	Lincoln Avenue	HL Smith Road	Towerview	Dundee Estates	Citrus Hills
PROPOSED USE	Single-Family 247 Lots	Single-Family Listing 104 Lots	Single-Family Listing 139 Lots	Single-Family Listing 79 Lots	Single-Family Listing 192 Lots	Single-Family Listing 155 Lots	Single-Family Listing 402 Lots	Single Family 272 Lots	Single Family 81 Lots
LOCATION	E Side of 30th St S of Grace Ave Haines City, Polk Co.	20th St and McKeown Ave Haines City, Polk Co.	Old Lucerne Park Rd N of Hwy 544 Winter Haven, Polk Co.	SS of Sheffield Rd E of Spirit Lake Rd Winter Haven, Polk Co.	NS of Lincoln Ave E of US 27 Dundee, Polk Co.	ES of HL Smith Rd N of Lake Mable Loop Rd Dundee, Polk Co.	Tindel Camp Rd & Lake Mabel Loop Rd Lake Wales, Polk Co.	S side of Welsh Rd W of US Hwy 17 Dundee, Polk Co.	W side of US Hwy 17 S side of Welsh Rd Dundee, Polk Co.
SALES INFORMATION									
Date of Sale	N/A	May-10	May-10	May-10	May-10	May-10	May-10	May-09	May-09
Sale Price	N/A	\$799,000	\$769,900	\$1,975,000	\$2,800,000	\$1,600,000	\$7,187,500	\$1,061,900	\$463,450
Amenity/Appeal	None	None	None	None	None	None	None	None	None
Zoning/Approvals	RPUD	R-2	PUD	RL-1	RSF-3	RSF-2	A/RR	RSF-1	RSF-1
# Proposed Units in Project	247	104	139	79	192	155	402	272	81
Net Developable Acreage	78.36	30.00	45.38	29.65	40.00	40.00	112.00	82.00	31.00
Land Size (Gross Acres)	78.36	30.00	45.38	29.65	40.00	40.00	112.00	82.00	31.00
Net Density	3.15	3.47	3.06	2.66	4.80	3.88	3.59	3.32	2.61
Shape/Configuration	Rectangular	L-shaped	Irregular	L-shaped	Irregular	Rectangular	Rectangular	L-Shaped	L-Shaped
Access	Good	Good	Good	Good	Good	Good	Good	Good	Good
Utilities	Water & Sewer Permits	All Available	All Available	All Available	All Available	None	Offsite Available	None	None
Price/Acre		\$26,633	\$16,966	\$66,610	\$70,000	\$40,000	\$64,174	\$12,950	\$14,950
Price/Lot		\$7,683	\$5,539	\$25,000	\$14,583	\$10,323	\$17,879	\$3,904	\$5,722
PRIMARY ADJUSTMENTS									
Property Rights	Fee Simple	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Financing Terms	Cash Equivalent	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Conditions of Sale	Arms Length	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Listing Status (-30%)	5/3/2010	-30.0%	-30.0%	-30.0%	-30.0%	-30.0%	-30.0%	-30.0%	-30.0%
Net Primary Adjustment		-30.0%	-30.0%	-30.0%	-30.0%	-30.0%	-30.0%	-30.0%	-30.0%
Price/Acre		\$18,643	\$11,876	\$46,627	\$49,000	\$28,000.00	\$44,922	\$9,065	\$10,465
Adjusted Price/Lot		\$5,378	\$3,877	\$17,500	\$10,208	\$7,226	\$12,516	\$2,733	\$4,005
OTHER ADJUSTMENTS									
Location/Access	Haines City, Polk Co.	0.0%	0.0%	0.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Property Size (Proposed Lots)	247	-15.0%	-10.0%	-20.0%	-5.0%	-10.0%	10.0%	0.0%	-10.0%
Net Density	3.15	5.0%	0.0%	-5.0%	10.0%	5.0%	0.0%	0.0%	-10.0%
Zoning	RPUD	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Amenity/Appeal	None	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Entitlements	All	5.0%	0.0%	0.0%	0.0%	0.0%	5.0%	0.0%	0.0%
Utilities	Water & Sewer Permits	-5.0%	-5.0%	-5.0%	-5.0%	5.0%	5.0%	0.0%	0.0%
Net Other Adjustment		-10.0%	-15.0%	-30.0%	5.0%	5.0%	25.0%	5.0%	-15.0%
Price/Acre		\$16,779	\$10,095	\$32,639	\$51,450	\$29,400	\$66,152	\$9,518	\$8,895
Final Adjusted Price/Lot		\$4,840	\$3,296	\$12,250	\$10,719	\$7,587	\$15,644	\$2,869	\$3,404
<p style="text-align: center;"><b>Per Lot</b>  Median \$6,214  Mean \$7,576  Std. Dev. \$4,813</p>									

## LAND LISTINGS MAP



**CLAYTON, ROPER & MARSHALL**

## RECONCILIATION AND FINAL VALUE OPINION

As requested, we have made the inspections, investigations, and analyses necessary to appraise the land proposed for a 247-lot subdivision to be known as Bonnie's Landing located on the east side of 30<sup>th</sup> Street, between Grace Avenue and Robinson Drive, within the City of Haines City, Polk County, Florida.

The purpose of this appraisal was to form an opinion of the "As Is" market value of the fee simple interest in the vacant land proposed to be Bonnie's Landing. The "As Is" market value estimate is made effective the date of our most thorough physical inspection of the subject property, May 3, 2010.

We have utilized the Sales Comparison Approach in order to develop the opinion of market value of the subject property. We were able to analyze several comparable land sales in order to estimate the "as is" market value of the subject property as vacant land.

The subject property is proposed for the development of 247 single-family residential units. However, the subject property has attributes and detriments that we believe will support and hinder the short term success of the property. We have listed the attributes and detriments to the subject property below.

### **Attributes:**

- Proximity to existing major roadways;
- Proximity to local schools (Haines City HS, Boone MS and Alta Vista Elementary);
- Location in Polk County;
- Land Entitlements; and
- Zoning approvals.

### **Detriments:**

- Current recession;
- Lack of consumer confidence;
- Tightened controls on residential mortgage loans; and
- Substantial inventory of existing lots.

We believe the attributes of the subject property enhance the value of the property. However, in this time of an extremely distressed market, with residential demand and prices dropping month after month, the attributes listed above only slightly help to increase the value of the subject. Residential land properties in Central Florida as well as across the state have taken large decreases as the value of residential land has declined over the last two years due to the oversupply of residential properties.

Our "as is" market value of the subject property reported herein was \$1,600,000 or \$6,500± per lot for the proposed 247 lot subdivision on 78.36 acres (3.15 units per acre). This value equates to \$20,419 per acre. In addition to the sales and listings herein, we have interviewed several market participants and they agree that \$15,000 - \$20,000 per acre for land similar to the subject is appropriate. Given the subject's location directly across from Haines City High School (and Boone Middle School), development entitlements and availability of utilities, we believe our value is well founded given current market conditions.

For these reasons, we believe our opinion of value is an appropriate value of today's market looking forward, based on the current distressed state of the residential housing market in the subject's marketing area. We do not expect residential prices to increase until the market regains an equilibrium, which we estimate to be two plus years.

Based upon our investigation into those matters that affect market value, and by virtue of our experience and training, we have formed the following opinion of the "As Is" market value of the subject property, effective May 3, 2010:

**ONE MILLION SIX HUNDRED THOUSAND DOLLARS**

**(\$1,600,000).**

Based upon our investigation into those matters that affect market value, and by virtue of our experience and training, we have estimated the "**Disposition**" market value of the subject property, effective May 3, 2010, to be:

**NINE HUNDRED SIXTY THOUSAND DOLLARS**

**(\$960,000).**

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**CLAYTON, ROPER & MARSHALL**

Based upon our investigation into those matters that affect market value, and by virtue of our experience and training, we have estimated the “**Liquidation**” market value of the subject property, effective May 3, 2010, to be:

**FOUR HUNDRED EIGHTY THOUSAND DOLLARS**

**(\$480,000).**

## DISPOSITION VALUE

The Dictionary of Real Estate Appraisal: 4<sup>th</sup> Edition defines disposition value as the most probable price that a specified interest in real property is likely to bring under all of the following conditions:

1. Consummation of a sale will occur within a limited future marketing period specified by the client.
2. The actual market conditions currently prevailing are those to which the appraised property interest is subject.
3. The buyer and seller is each 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 their best interests.
7. An adequate marketing effort will be made in the limited time allowed for the completion of a sale.
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.

In addition to the "As Is" market value, we have been requested to provide a "disposition" value, which can be defined as the market value estimate less discount to facilitate a sale one-half the appraiser's estimated marketing time (6 months).

Disposition value is typically classified as the limited marking period specified by the Bank for the dispositions value estimate is one-half the appraisers' estimated reasonable marketing period for the market value estimate, but no more than six months.

As previously determined, we have estimated the "As Is" market value of the subject property, as of May 3, 2010, to be \$1,600,000. The following discusses the line item costs associated with estimating the disposition value.



***Discount to Facilitate a Six Month Sale*** – A discount to facilitate a one year sale may be required if marketing periods are typically in excess of this time allowance. Consideration of a 6 month marketing period discount reflects a price that produces a high probability of consummating a sale within the specified six month period. In the case of the subject property, as discussed in the *Marketability* section of this report, this discount will be required. We have estimated the subject's disposition value, based on a marketing period, to be six months. The decrease in demand and competition from remaining product within the subject neighborhood are great contributors to this estimate. As can be seen from the data provided, extended marketing periods such as this have been fairly common for properties in the neighborhoods. This is well documented from the current credit crunch as well as the recent declines on Wall Street. At this time, there is no assured end in sight. For this reason we have estimated a discount rate of 40% to facilitate a sale within a one year time-frame. This equates to a total discount amount of **\$640,000** for the subject units.

## CONCLUSION

Utilizing these cost estimates, the following displays our calculation of the Disposition Value of the subject property.

Disposition Value	
"As Is" Market Value	\$1,600,000
Less: 40% Disposition Discount	\$640,000
Liquidation Value Estimate	\$960,000
<b>ROUNDED TO:</b>	<b>\$960,000</b>

Based on this analysis, we have estimated the Disposition Value of the subject property, as of the date of our valuation, May 3, 2010, to be **\$960,000**.

## LIQUIDATION VALUE

The Dictionary of Real Estate Appraisal: 4<sup>th</sup> Edition defines liquidation value as the most probable price that a specified interest in real property is likely to bring under all of the following conditions:

1. Consummation of a sale will occur within a severely limited future marketing period specified by the client.
2. The actual market conditions currently prevailing are those to which the appraised property interest is subject.

In addition to the “As Is” market value, we have been requested to provide a “liquidation” value, which can be defined as the market value estimate less discount to facilitate a 3-month sale.

As previously determined, we have estimated the “As Is” market value of the subject property, as of May 3, 2010, to be \$1,600,000. The following discusses the line item costs associated with estimating the liquidation value.

***Discount to Facilitate a 3-Month Sale*** – A discount to facilitate a 3-month sale may be required if marketing periods are typically in excess of this time allowance. Consideration of a 3-month marketing period discount reflects a price that produces a high probability of consummating a sale within the specified 3-month period. In the case of the subject property, as discussed in the *Marketability* section of this report, this discount will be required. We have estimated the subject’s liquidation value, based on a marketing period of three months. The decrease in demand and competition from remaining product within the subject neighborhood are great contributors to this estimate. As can be seen from the data provided, extended marketing periods such as this have been fairly common for properties in the neighborhoods. This is well documented from the current credit crunch as well as the recent declines on Wall Street. At this time, there is no assured end in sight. For this reason we have estimated a discount rate of 70% to facilitate a sale within a six-month time-frame. This equates to a total discount amount of **\$1,120,000** for the subject units.

In order to determine the appropriate adjustment for the liquidation value, we have looked at several key economic indicators for the Central Florida real estate market. The first factor we have considered was Market Observations, in which we have detailed the events of a select few projects to provide an indication of the current difficulty of selling properties with a shortened marketing period.

Other factors analyzed were a Supply/Demand Analysis and an overview of Available Financing and the Sub-Prime Mortgage Crisis. Within our analysis, we have interviewed several active market participants in the Central Florida market, including:

Bill Pittenger	Economic & Valuation Consultant
Ron Schwartz	Land Developer
Albert Kodosi	Royal Palm Homes
Joe Kantor	Lexon Homes
Ralph Ziegler, CPA	Financial Consultant
Alan Keene	The Keewin Company
Larry Godwin	Colony Homes & Colony Bank

**Market Observations** – As previously presented in the Polk County Single Family Market Overview within this report, existing home sales are up while prices continue to fall with pre-foreclosure and bank-owned properties accounting for a bulk of the activity. Also, there is still a large supply of finished developed lots within Polk County. In our research, we have identified a specific case which provides an indication of the lack of marketability and difficulty of completing sales within a limited timeframe.

The most evident observation of the market is the lack of sales. Also, several active listings which we analyzed in our previous appraisal are no longer on the market, not because they sold but because owners, unless desperate, do want to liquidate their property at current prices. However, there are still several vacant land properties approved for single-family residential development, as well as fully developed lots in bulk, listed for sale, many of which continue to decrease in asking price. The listing below is an entire finished subdivision offered in bulk and is located one mile from the subject property.

Haines City – Nicholson USA Properties previously owned a 111 lot developed single-family residential subdivision about one mile northeast of the subject at the intersection of State Road 580 (Johnson Avenue) and Powerline Road in Haines City, Polk County, Florida. The lots have been foreclosed and are now bank owned and marketed for sale. Originally, the lots were listed for \$1,770,000 or \$15,664 per lot; however, the lots are currently being marketed for \$1,300,000 or \$11,712 per lot for a discount of 27%, with no interested parties (MLS#O4923331). The property has been on the market since July 2009.

**Economic Prospective** - The housing market has taken large declines since the peak of the market in mid to late 2006 and so to have the commercial and retail support facilities. Sales activity of new and existing residential products has declined, and the current inventory has risen dramatically in the past 18 to 24 months. The well documented recessionary state of the national economy has forced a decline in consumer confidence, consumer spending as well as increased the local, state and national unemployment and vacancy rates. These factors have led to declines in commercial and retail property values and rental rates. With these declines, there have also been increases in buyer and rental incentives. Below we have presented a number of economic facts about the state of the local and national economy.

- Housing news turned negative in January after having been relatively benign throughout 2009. Florida existing home sales declined in January from their December 2009 level after having been relatively flat throughout 2009. Sales also declined in every Seacoast served Metropolitan Statistical Area (MSA). Median price also declined reaching a new low statewide and in several Seacoast served MSAs. The pattern was similar nationwide where both sales volume and median price declined for the second straight month. Sales of newly constructed homes also plummeted in January to a low not seen since 1963. At the same time, the median time to sell a new home rose to 14.2 months — nearly three times normal and also an all time high.

Florida's median price was \$130,900 in January which is down from \$140,400 in December and down from \$139,400 a year earlier. Nationally, existing home sales declined 7.2% in January. That decline saw single family detached homes fall 6.9% and condo units fall 8.1%. Sales volume dropped to 5.05 million units of which 4.03 million were single family and 620,000 were condominium units.

The decline in nearly every housing indicator is disappointing and is clearly cause for alarm around recovery of the broader economy in general and housing recovery in particular. In our view, the two most important things that need to happen to achieve economic recovery are for employment to return to more normal levels and for housing to recover. Consumers who are unemployed or who fear unemployment do not spend. As the consumer is roughly two-thirds of the economy as measured by the Gross Domestic Product, unemployment has a profoundly negative effect on the broader economy. The direct and indirect effects of housing on spending are also enormous and affect recovery.

-- Seacoast National Bank, *Economic Perspectives*, March 1, 2010, William L. Pittenger

## Existing Single Family Home Sales In Metropolitan Statistical Areas (MSA) Served by Seacoast National Bank

MSA		Dec '08	Jan '09	Feb '09	Mar '09	Apr '09	May '09	Jun '09	July '09	Aug '09	Sep '09	Oct '09	Nov '09	Dec '09	Jan '10
Ft. Pierce Port St. Lucie	Sales Volume Change /Month Median Price Change over month	421 +32.39 131,800 +1.00%	361 -14.25% 114,900 -12.82%	372 +3.05% 122,100 +6.27%	493 +32.53% 118,000 -3.36%	490 -0.61% 116,400 -1.36%	511 +4.29% 110,000 -5.50%	573 +12.13% 109,900 Flat	561 -2.09% 110,100 Flat	539 -3.92% 113,000 +2.63%	572 +6.12% 110,800 -1.95%	558 -2.45% 110,400 Flat	567 +1.61 111,700 +1.18	564 -0.53% 110,300 -1.25%	361 -35.99% 101,100 -8.34%
Melbourne Titusville Palm Bay	Sales Volume Change over month Median Price Change over month	438 +33.54% 125,200 -1.18%	377 -13.93 118,300 -5.51%	429 +13.79% 115,400 -2.45%	539 +25.64% 123,700 +7.19%	564 +4.64% 113,600 -8.16%	584 +3.55% 123,700 +8.89%	541 -7.36% 117,300 -5.17	534 -1.29% 117,700 Flat	492 -7.87% 119,500 +1.53%	479 -2.64% 114,700 -4.02%	536 +11.90% 115,800 +0.96%	391 -27.05% 105,000 -9.33	434 +11.0% 104,100 -0.86%	358 -17.51 107,000 +2.79%
Orlando	Sales Volume Change over month Median Price Change over month	1,525 +19.42% 167,800 Flat	1,127 -26.11% 150,500 -10.31%	1,352 +19.96% 153,200 +1.79%	1,828 +35.21% 151,500 -1.11%	1,859 +1.70% 141,800 -6.40%	1,949 +4.84 142,400 +0.42%	2,266 +16.66% 149,000 +4.63%	2,343 +3.40% 148,400 Flat	2,134 -8.92% 144,200 -2.83%	2,247 +5.30% 144,100 Flat	2,297 +2.23% 143,600 Flat	2,292 Flat 137,100 -4.53	2,300 +0.35% 136,800 -0.22%	1,745 -24.13% 123,500 -9.72%
W. Palm Bch Boca Raton	Sales Volume Change over month Median Price Change over month	638 +41.78% 246,000 -0.57%	408 -36.05% 232,100 -5.65%	532 +30.39% 228,100 -1.72%	685 +28.76% 228,100 -0-	681 -0.58% 234,400 +2.76%	737 +8.82% 232,900 -0.85%	859 +16.55% \$250,300 +7.47%	859 Flat 245,200 -2.04%	754 -12.22% 245,700 +0.20%	746 -1.06 242,900 -1.14%	841 +12.73% 243,900 0.41%	733 -12.84% 227,500 -6.72%	849 +15.83% 247,900 +8.97%	546 -35.11% 238,600 -3.75%
Fl. Lauderdale Seacoast no longer has a branch presence	Sales Volume Change over month Median Price Change over month	632 +24.65% 217,700 -4.98%	467 -26.22 191,000 -12.26%	500 +7.07% 214,400 +12.25%	680 +36.00% 219,500 +2.38%	690 +1.47% 191,300 -12.85%	780 +13.04% 190,000 -0.68%	862 +10.51% 204,800 +7.79%	907 +5.22% 219,000 +6.93%	816 -10.03 217,000 -0.91%	800 -1.96% 200,000 -7.83%	826 +3.25% 211,600 +5.80%	707 -14.41% 182,900 -13.56%	781 +10.47% 219,900 +20.23+	492 -37.00% 180,000-- -18.14%
STATE	Sales Volume Change over month Median Price Change over month	11,053 +28.96% 155,500 -1.77%	8,450 -23.55 139,500 -10.89	9,858 +16.66% 141,900 +1.72	13,085 +32.73% 141,300 -0.42%	13,111 +0.20% 138,500 -1.98%	13,921 +6.18% 144,400 +3.97%	15,850 +13.86% 148,000 +2.49%	15,882 +0.20% 147,600 Flat	13,850 -12.79% 147,400 Flat	14,419 +4.11 142,000 -3.66%	15,160 +5.14% 140,300 -1.20%	14,026 -7.48% 139,000 -0.93%	14,630 +4.31% 140,400 +1.01%	10,465 -28.47% 130,900 -6.77

- Florida's unemployment rate surged to 12.2% in January 2010. The headline "seasonally adjusted" rate was 11.9%. Florida's unemployment rate is now equivalent to May 1975 — some 35 years ago — and is now the highest in the history of this data series. Florida, as well as the nation and all states also released revised historical data. That process is known as "benchmarking" and is done every March. Florida's unemployment rate remains significantly higher than the nation's 9.7% rate (10.6% not seasonally adjusted). The nation's rate has been stable for the last two months. Florida's unemployment rate a year ago in Florida was 8.7%.

-- Seacoast National Bank, *Economic Perspectives*, March 13, 2010, William L. Pittenger

Unemployment rates in Seacoast served counties — January 2010

County	January '10	December '09	January '09
State	12.2%	11.6%	8.9%
U.S.	9.7%	9.7%	10.0%
Orange	12.3%	11.7%	8.8%
Seminole	11.6%	10.9%	8.1
Lake	13.5%	12.6%	9.5%
Osceola	13.5%	13.0%	9.6%
Brevard	12.7%	11.9%	9.2%
Indian River	14.4%	13.7%	12.2%
St. Lucie	14.9%	14.2%	11.6%
Martin	13.6%	12.6%	9.5%
Palm Beach	12.5%	11.7%	9.0%
Okeechobee	13.9%	13.3%	10.7%
Glades	11.9%	10.7%	8.2%
Hendry	14.9%	14.6%	11.3%
DeSoto	11.2%	10.9%	8.1%
Highlands	12.3%	11.7%	9.6%
Hardee	12.3%	11.7%	8.1%

SOURCE: Florida Agency for Workforce Innovation (March 10, 2010)  
 All Florida data are January 2010. U.S. data are February 2010  
 All data are not seasonally adjusted.

**Conclusion** – As the previous discussion states, the local, state and national economies are in a recessive state with declines in employment rates, vacancies, consumer spending and consumer confidence. These factors are causing nationwide panic with increased uncertainty and risk.

Most recently, many market participants have opted to stay out of the market, resulting in a defensive position for buyers. Many buyers are delaying purchases until market reports conclude more evidence that the market has reached “a bottom”. From a fundamental perspective, this is unlikely to occur until more inventory can be absorbed over the coming quarters/years. As more inventories are absorbed, the current supply glut will trend closer to a supply-demand equilibrium. However, this is not expected to occur in the short-term.

Due to the uncertainty and risk of the current market conditions and the liquidation period of 3 months, we have estimated an appropriate adjustment for the liquidation value to be equal to **70% of market value.**

## CONCLUSION

Utilizing these cost estimates, the following displays our calculation of the Liquidation Value of the subject property.

<b>Liquidation Value</b>	
"As Is" Market Value	\$1,600,000
Less: 70% Liquidation Discount	\$1,120,000
Liquidation Value Estimate	\$480,000
<b>ROUNDED TO:</b>	<b>\$480,000</b>

Based on this analysis, we have estimated the Liquidation Value of the subject property, as of the date of our valuation, May 3, 2010, to be **\$480,000.**



## ADDENDUM

# QUALIFICATIONS OF STEVEN L. MARSHALL, MAI, SRA

## **BUSINESS ADDRESS**

Clayton, Roper & Marshall  
246 North Westmonte Drive  
Altamonte Springs, Florida 32714

Ph: (407) 772-2200, x 314  
Fax: (407) 772-1340  
smarshall@crmre.com

## **PROFESSIONAL DESIGNATIONS AND ASSOCIATIONS**

MAI, SRA	Appraisal Institute
Member	Orlando Board of Realtors
Member	Florida and National Association Realtors
Registered Real Estate Broker	State of Florida
State-Certified General Appraiser	State of Florida - Expires November 30, 2010
License Number:	RZ 155
FNMA Number:	1195447

## **EDUCATION**

B.A. Degree, Communication Arts, University of West Florida - 1975

## **REAL ESTATE COURSES UNDER THE DIRECTION OF THE APPRAISAL INSTITUTE**

*(formerly American Institute of Real Estate Appraisers):*

Course I-A	Basic Appraisal Principles
Course I-B	Capitalization Theory and Techniques
Course II	Valuation Analysis and Report Writing Methods & Techniques
Course II-1	Case Studies in Real Estate Valuation
Course VI	Introduction to Real Estate Investment Analysis
Course VIII	Single-Family Residential Appraisal
SPP	Standards of Professional Practice
R-2	Narrative Report Writing

The Appraisal Institute conducts a voluntary program of continuing education for its designated members. MAI's who meet the minimum standards of this program are awarded periodic educational certification. I am currently certified under this program through December 31, 2011.

## **CREDIT FOR COURSES UNDER THE DIRECTION OF THE APPRAISAL INSTITUTE**

*(formerly the Society of Real Estate Appraisers):*

Course 101	Introduction to Appraising Real Property
Course 201	Principles of Income Property Appraising
R-2	Narrative Report Writing

## **COMPLETED EXAMINATIONS FOR REAL ESTATE SECURITIES AND SYNDICATION EDUCATION UNDER THE DIRECTION OF THE NATIONAL ASSOCIATION OF SECURITIES DEALERS**

Series 22	Direct Participation Program Representative
Series 39	Direct Participation Program Principal

**CREDIT FOR THE FOLLOWING SEMINARS SPONSORED BY THE APPRAISAL INSTITUTE\*  
AND OTHER ENTITIES**

*(formerly the American Institute of Real Estate Appraisers and the Society of Real Estate Appraisers):*

Appraisal Regulations of the Federal Banking Agencies (Title XI FIRREA)  
Federal Home Loan Bank Board - Memorandum R-41b  
Federal Home Loan Bank Board - Memorandum R-41c  
Valuation and Evaluation of Proposed Projects  
Creative Financing/Cash Equivalency  
Investment Feasibility  
Market & Marketability Analysis  
Cash Flow & Risk Analysis  
Narrative Report Writing Seminar  
Standards of Professional Practice  
Environmental Concerns - Hazardous Waste  
Appraiser State Certification Program  
Investment Criteria of Purchasers of Major Commercial Properties  
Hotel Valuation  
Appraising in a Changing Economy  
Using Lotus 1-2-3 in the Appraisal Office  
Electronic Spreadsheet in the Appraisal Office  
Real Estate Appraisal Course Instructor's Clinic  
Appraising Interim Use Properties  
Easement Valuation  
Understanding Limited Appraisals and Reporting Options - General  
Single-Family Construction  
HP-12C Calculator  
From the Appraiser to the Underwriter  
Professional Standards USPAP Update Core Law for Appraisers  
Analyzing Operating Expenses  
Land Management Dept. 1995, 1996 and 1997 Annual Seminar (S. Fla. Water Mgmt. District)  
Argus Financial Software Use Seminar  
The Internet and the Appraiser  
Understanding and Using DCF Software  
Appraising Rural Properties in southeast Florida  
Professional Standards USPAP Update Core Law for Appraisers  
Valuation and the Evolution of the Real Estate Capital Market  
Condemnation Appraising: Basic Principles and Applications  
Condemnation Appraising: Advanced Principles and Applications  
SFWMD Current Appraisal Issues in Florida  
The IRS and FLPs: Where Are We Now  
Determination of Value - What is Fair? A Public Interest Value Program  
Recent Developments in Federal Tax Valuation  
The Real Estate Capital Markets: Case Studies in Valuation  
Section 8/HUD: Rent Comparability Studies  
Government & Public Relations Chapter Forum

Appraisal Review Seminar – General  
Florida Core Law Update  
Subdivision Analysis  
Uniform Standards for Federal Land Acquisitions “The Yellow Book, Tallahassee, Florida  
7-Hour National USPAP Update Course  
Rail Corridor Acquisition Seminar  
Appraising from Blueprints and Specifications  
The Road Less Traveled: Special Purpose Properties  
Business Practices and Ethics  
2006 Scope of Work and the New USPAP Requirements  
Evaluation Commercial Construction  
A Professional’s Guide to Conservation Easements  
Case Studies in Commercial Highest and Best Use  
Sovereignty Submerged Land Easements  
Appraisal Curriculum Overview (2 Day General)

#### **EXPERT WITNESS EXPERIENCE**

U.S. Federal Bankruptcy Court  
Circuit Courts of Brevard, Orange, Osceola, Pasco, Santa Rosa, Seminole and Volusia Counties.

#### **PROFESSIONAL ACTIVITIES**

2006 – 2007 National Board of Directors, Appraisal Institute  
2007 Chairman, Region X (Florida/Puerto Rico) Appraisal Institute  
2006 Vice Chairman, Region X (Florida / Puerto Rico) Appraisal Institute  
2005 – 2006 State Chairman, Florida AQB Criteria Implementation Task Force  
2003 State Chairman – Florida Statute 475 Part II Rewrite Committee  
2000 to 2006: Chairman, State Governmental Affairs, Region X, Appraisal Institute  
2005 Director Region X, Appraisal Institute  
2003 Outstanding Service Award, Appraisal Institute  
1995: Public Relations Committee Chairman, Region X, Appraisal Institute  
1995: Member, National General Appraiser Board Examination Subcommittee  
1990 - 1992: Member, National Public Relations Committee, Appraisal Institute  
1991, 1992, 1999 to 2004: Region 10 Representative for East Florida Chapter, Appraisal Institute  
1989 National Chairman - Young Advisory Council - Society of Real Estate Appraisers  
Member - 1990 National Conference Committee, Society of Real Estate Appraisers  
President, 1990 - Florida Chapter 100, Appraisal Institute  
Member, Board of Directors, 1999-2001, East Florida Chapter, Appraisal Institute  
Member - Board of Directors - 1986-1992 - Central Florida Chapter, Appraisal Institute  
Member - East Florida Chapter, Appraisal Institute (Served on Government Affairs & Admissions Committees)  
Alumni - Leadership Orlando Program - Orlando Chamber of Commerce  
Special Magistrate - Property Appraisal Adjustment Board - Orange, Brevard, Osceola, Santa Rosa, and Escambia Counties, Florida

**PARTIAL LIST OF PAST CLIENTS**

Admiralty Bank	Lincoln Property Company
Amerinational Community Services, Inc.	Lockheed Martin
Arby's, Inc.	Metropolitan Life
Attorneys' Title Insurance Fund, Inc.	M&I Marshall & Ilsley Bank
Banco Popular	Mercantile Bank
BankFirst	Mobile Home Communities, Inc.
Bank of America	Nara Bank
BB&T	National City Bank
Chicago Title	New York Life
Citicorp Real Estate	Orlando Neighborhood Improvement Corporation
Citizens Bank of Florida	Orange County
City of Orlando, Florida	Osceola County
City of Pensacola, Florida	Pensacola Housing Authority
CNL Bank	Prudential Insurance
Escambia County	Regions Bank
Exxon Company, USA	R-G Crown Bank
Federal Department of Energy	Riverside National Bank
Federal Deposit Insurance Corporation	St. Joe Company
Federal National Mortgage Association	Seminole County
First Horizon	South Florida Water Management District
Florida Community Partners	SunTrust
Florida Department of Environmental Protection	SunTrust Mortgage, Inc.
GMAC	Trammell Crow Company
Greater Orlando Chamber of Commerce	Trust Company Bank
General Services Administration	United Southern Bank
General Electric Mortgage Insurance Companies	U.S. Bank
Hancock Bank	Wachovia Bank
Howard Johnson Company	Wells Fargo
John Hancock Insurance	Westinghouse Electric Company
KeyBank	Zions First National Bank
Key West Redevelopment Agency	ZOM Communities Inc.

**APPRAISAL EXPERIENCE**

I have completed a variety of appraisal and valuation assignments for commercial banks, insurance companies, other financial institutions and asset managers. I have extensive experience in subdivision development, industrial warehouses, apartments, shopping centers, office buildings, condominiums, hotels, mobile home parks, golf courses, retirement centers and undeveloped land. In addition to real estate valuation, past assignments include discounted cash flow analysis, leased fee and leasehold interest, highest and best use studies, market/feasibility studies, investment analysis and other forms of analysis involving investment grade properties.

I have served as a Special Magistrate or hearing officer reviewing property owner disputes regarding county valuations and exemptions in Orange, Brevard, Osceola, Santa Rosa, and Escambia Counties. I am familiar with Florida Statutes, case law, and Florida Department of Revenue rules and procedures regarding real property assessment and tax issues. I have made presentations regarding Value Adjustment Board Hearings to the Property Appraiser's Association of Florida (elected public appraiser) and the International Association of Assessing Officers (IAAO) and The Appraisal Institute.

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**CLAYTON, ROPER & MARSHALL**

Special consultation assignments include preparation of appraisal guidelines, procedures, and policy manuals for use by mortgage lenders. I have presented a "Use of Real Estate Appraisals" seminar held for several Florida based financial institutions. I have made presentations to the Florida Department of Revenue, the real estate section of the Orange County Bar Association, the Florida Academy of Trial Lawyers, Building Owners & Managers Association (BOMA), and the Jacksonville Chapter of the Florida Institute of Certified Public Accountants. I participated in a seminar and mock trial regarding valuation of contaminated properties with the American Bar Association - Section of Litigation at their national convention. Recently (2003 – 2005), I chaired a panel of appraisers representing a coalition of prominent national appraisal organizations and prepared a rewrite/update of Florida Statute 475, Part II. This statute is the Florida law pertaining to the real estate appraisal profession.

**STATE OF FLORIDA CERTIFICATION**

AC# 4047099			STATE OF FLORIDA		
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION FLORIDA REAL ESTATE APPRAISAL BD					
SEQ# L08092702415					
DATE	BATCH NUMBER	LICENSE NBR			
09/27/2008	088078927	RZ155			
The CERTIFIED GENERAL APPRAISER Named below IS CERTIFIED Under the provisions of Chapter 475 FS. Expiration date: NOV 30, 2010					
MARSHALL, STEVEN L 246 N WESTMONTE DRIVE ALTAMONTE SPRINGS FL 32714					
CHARLIE CRIST GOVERNOR		DISPLAY AS REQUIRED BY LAW		CHARLES W. DRAGO SECRETARY	



# QUALIFICATIONS OF RICHARD B. WILLIAMS

## BUSINESS ADDRESS

Clayton, Roper & Marshall  
246 North Westmonte Drive  
Altamonte Springs Florida 32714  
Telephone: (407) 772-2200, x 308

## EDUCATION

Bachelor of Science in Finance/Real Estate, 2006  
**Florida State University** - Tallahassee, Florida

## RELEVANT COURSES/SEMINARS

Business Law – Florida State University	2004
Financial Management of the Firm – Florida State University	2004
Analysis of Financial Statement Presentation – Florida State University	2004
Fundamentals of Investing and Financial Markets – Florida State University	2005
Problems in Financial Management – Florida State University	2005
Real Estate Principles – Florida State University	2005
Real Estate Law – Florida State University	2005
Real Estate Appraisal – Florida State University	2006
Real Estate Finance – Florida State University	2006
Real Estate Feasibility Analysis – Florida State University	2006
Real Estate Market Analysis – Florida State University	2006
Security Analysis / Portfolio Management – Florida State University	2006
Investments – Florida State University	2006
General Market Analysis and Highest & Best Use – Appraisal Institute	2007
Business Practices and Ethics – Appraisal Institute	2007
15-Hour National Uniform Standards of Professional Appraisal Practice (USPAP)	2007
7-Hour National USPAP Update Course – Appraisal Institute	2008
3-Hour Florida State Law Update Course – Appraisal Institute	2008
3-Hour Supervisor/Trainee Roles & Relationship Update Course – Appraisal Institute	2008

## PROFESSIONAL DESIGNATIONS AND AFFILIATIONS

State-Registered Trainee Real Estate Appraiser - State of Florida - License Number: RI22274

## EXPERIENCE

Real Estate Appraiser - Clayton, Roper & Marshall, Orlando, Florida **March 2007 to Present**

## CLIENTS SERVED

- |                      |                          |
|----------------------|--------------------------|
| ➤ Local Government   | ➤ Attorneys              |
| ➤ State Government   | ➤ Individuals            |
| ➤ Federal Government | ➤ Developers             |
| ➤ Corporations       | ➤ Financial Institutions |

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**CLAYTON, ROPER & MARSHALL**

**STATE OF FLORIDA REGISTRATION**

AC# 4071824			STATE OF FLORIDA	
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION FLORIDA REAL ESTATE APPRAISAL BD				
SEQ# L08100204058				
DATE	BATCH NUMBER	LICENSE NBR		
10/02/2008	088090694	RI22274		
The REGISTERED TRAINEE APPRAISER Named below HAS REGISTERED Under the provisions of Chapter 475 FS. Expiration date: NOV 30, 2010				
WILLIAMS, RICHARD BARRY 246 N WESTMONTE DRIVE ALTAMONTE SPRINGS FL 32714				
CHARLIE CRIST GOVERNOR		CHARLES W. DRAGO SECRETARY		
DISPLAY AS REQUIRED BY LAW				

Date Awarded: 04/26/2010

Project Number: 10-000415-01

**Appraiser Name:** Steven Marshall  
**Appraiser Company:** Clayton, Roper & Marshall, Inc.  
**Address:** 246 North Westmonte Drive, Alamonte Springs, FL 32714

**Phone:** 407-772-2200 ext. 314 **Fax:** **Email:** smarshall@crmre.com

**Property/Project Name:** Bonnie's Landing  
**Property Address:** 30th Street and Grace Avenue, Haines City, FL 33844  
**Property Type:** Land, Land Residential (Single Family 5+ Lots)  
**Property Description:** The subject property consists of 78.36 acres of undeveloped land zoned for the development of 247 single-family home sites.

**Access/Contact Info:** Geoffrey McConnell, Other **Phone:** 312-461-7929  
**Email:** **Alt. Phone:**

Please accept this document as your authorization to develop an appraisal of the referenced property on behalf of either Harris N.A. or BMO Capital Markets Financing, Inc. as applicable, and hereinafter referred to as "the Bank". This engagement is subject to the following:

- The specific terms and conditions outlined in the Request for Proposal in RIMS including, but not limited to, the Comments section and any other attached Reference Documents;
- The Bank's Commercial Real Estate Appraisal Guidelines; and
- Any specific requirements set forth in this engagement contract document.

**Total Appraisal Fee:** \$2,500, inclusive of all costs necessary to complete the appraisal assignment and report.

**Delivery Due Date:** 5/24/2010

**Delivery Requirements:** Within two (2) business days of the award date, submit any requests for information to the property contact and arrange for a property inspection. If you have not received all required information within 7 days of the award date, or if at any time you believe the report may be delayed, contact the Job Manager noted herein.  
**Upload an electronic copy of the entire signed appraisal report in a "read only" format (Adobe "PDF") to the RIMSCentral website on or before the delivery due date.** The RIMSCentral web address is <http://www.rimscentral.com>. If the complete copy of the report cannot be uploaded, please contact support at [CREASU.rimssupport@harrisbank.com](mailto:CREASU.rimssupport@harrisbank.com).

**Address the Report and/or Questions to the CREASU Job Manager:** Thomas Quagliata  
111 W. Monroe St.  
4E  
Chicago, IL 60603  
Phone: 312-461-4689  
Fax: 312-293-5846  
Email: [thomas.quagliata@harrisbank.com](mailto:thomas.quagliata@harrisbank.com)

**Number of Hard Copies of Report (Please deliver ONLY AFTER you receive notice from Job Manager that report has been reviewed & approved):** 3

## **Scope of Work**

<b>Intended User:</b>	See Request For Proposal for details.
<b>Intended Use:</b>	See Request For Proposal for details.
<b>Value(s) Requested:</b>	Market Value - As-Is (Fee Simple) Hypothetical Market Value - As-Is (Fee Simple) Liquidation Value - As-Is (Fee Simple)
<b>Report Type:</b>	Summary
<b>Report Format:</b>	Narrative
<b>Valuation Approaches:</b>	See Request For Proposal for details.
<b>Inspection Requirements:</b>	See Request For Proposal for details.
<b>Special Conditions:</b>	

## **Invoice Requirements**

To ensure prompt payment of your professional fee, please see Request for Proposal for details.

## **Acceptance and Agreement**

By accepting this award electronically, you agree to the terms of this engagement contract including terms set forth in documents incorporated herein by reference, and that this engagement contract accurately represents your understanding of this appraisal assignment and the specifications pertaining thereto. **Please include a copy of this engagement contract and evidence of your state certification in the addenda of the appraisal report.**

## **Additional Requirements / Conditions**

The appraisal must be prepared in compliance with FIRREA and the Uniform Standards of Professional Appraisal Practice (USPAP). The appraisal must also conform to the Bank's Commercial Real Estate Appraisal Guidelines.

Overall, ensure that the level of data and analysis is sufficient to produce a credible value, and that the type and extent of analysis is properly disclosed.

It is a specific requirement that: (1) your value estimate of the above-referenced property be based on and conform to the definition of "Market Value" contained in Title XI of the Financial Institution Reform, Recovery and Enforcement Act of 1989, and regulations promulgated by relevant regulatory agencies pursuant to that act (collectively, "FIRREA"), and (2) the definition of "Market Value" contained in FIRREA be stated in the appraisal report. Unless specifically requested herein, there must be no reference(s) whatsoever in the appraisal report to any other technically recognized perceptions of and/or modifications to value, such as "Fair Value", "Use Value", "Liquidation Value" or any other such term(s) that might be construed or interpreted to be an alternative to, a substitute for, or synonymous with Market Value as defined in FIRREA.

You are acting in this capacity as an independent contractor and you are not authorized to represent yourself as an

employee or agent of the Bank. You agree to comply with the Confidentiality section of the Ethics Rule of USPAP in regards to any data furnished by the Bank or the Bank's customer in connection with this assignment.

Any request for the extension of the report delivery date must be in writing and should be faxed or e-mailed to the Job Manager noted herein as soon as possible (generally requests should only be made when reasons for delay are attributable to either our customer or our own bank personnel). Please be aware that unless we have given prior approval to your request for an extension, a late charge may be assessed at the rate of 10% of the total fee for receipt of your appraisal report by our office on the first business day following the due date and 5% per day thereafter. This charge is in the nature of liquidated damages, and you agree that it represents a reasonable estimate of loss and not a penalty.

It is imperative that you contact the Job Manager noted herein immediately if the property contact has been unresponsive and/or the delivery of the necessary information to complete this assignment is being delayed. It must be emphasized that your failure to comply with this directive will eliminate the lack of necessary property information as an acceptable reason for late delivery.

The Bank reserves the right to provide copies of the appraisal report (in its entirety) to interested parties, including the Bank's agents, subsidiaries, affiliates, and their successors; the borrower(s); and existing and/or potential loan participants or purchasers. During this appraisal assignment, neither the value conclusion nor any other aspect of the valuation should be released to anyone other than the Job Manager noted herein or another member of the Bank's Commercial Real Estate Appraisal Services Unit. Please contact the Job Manager noted herein if you have any questions or comments regarding this assignment.

**Williams, Richard**

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**From:** Marshall, Steve  
**Sent:** Wednesday, April 28, 2010 4:28 PM  
**To:** 'Quagliata, Thomas'  
**Cc:** Williams, Richard; Susan Swann; Richard, Allyson  
**Subject:** RE: 10-000414-01, Jackson Pointe (Tollefson Development of Florida, Inc.)

Tom...got it and thank you.

Richard please take note the revised delivery date. Please make a note on the pink sheet & print this email and place it in the addendum of the forth coming report.

Steven L. Marshall, MAI, SRA  
Clayton, Roper & Marshall  
246 N. Westmonte Drive  
Altamonte Springs, Florida 32714  
Ph: (407) 772-2200 x 314  
Fax: (407) 772-1340  
[smarshall@crmre.com](mailto:smarshall@crmre.com)

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Thank you

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**From:** Quagliata, Thomas [<mailto:Thomas.Quagliata@harrisbank.com>]  
**Sent:** Wednesday, April 28, 2010 3:51 PM  
**To:** Marshall, Steve  
**Subject:** RE: 10-000414-01, Jackson Pointe (Tollefson Development of Florida, Inc.)

Steve —

Please proceed with the early delivery of Bonnie's Landing for the \$3,250. May 7<sup>th</sup> is great.

I will contact you shortly regarding any need to testify, though I think this is very unlikely.

Thomas Quagliata | Assistant VP | Review Appraiser  
Harris N.A. | 111 W. Monroe St., 4E | Chicago, IL 60603  
312.461.4689 | (f) 312.293.5846 | (m) 312.718.6970  
Visit Harris Online at: [www.harrisbank.com](http://www.harrisbank.com)

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**From:** Marshall, Steve [<mailto:SMarshall@crmre.com>]  
**Sent:** Wednesday, April 28, 2010 2:29 PM  
**To:** Quagliata, Thomas  
**Cc:** Wilhoit, Tim  
**Subject:** FW: 10-000414-01, Jackson Pointe (Tollefson Development of Florida, Inc.)

Tom...please let me know if you want to adjust the dead line fee per my proposal below (I will adjust my work schedule internally to meet he proposed May 7<sup>th</sup> deadline.

Please read my note below & let me know your preference.

4/30/2010

Thank you,

Steven L. Marshall, MAI, SRA  
 Clayton, Roper & Marshall  
 246 N. Westmonte Drive  
 Altamonte Springs, Florida 32714  
 Ph: (407) 772-2200 x 314  
 Fax: (407) 772-1340  
[smarshall@crmre.com](mailto:smarshall@crmre.com)

**Subject:** RE: 10-000414-01, Jackson Pointe (Tollefson Development of Florida, Inc.)

Tom.... I am back in the office—I was working out of town yesterday. ....Please call me—if you get my voice mail—dial zero & my receptionist will interrupt me so I do not miss your call.

I suggest a May 7<sup>th</sup> delivery of the appraisal report & adjusting the fee to \$3,250 (accounting for weekend & overtime hours in the assignment).

If this is agreeable—please confirm by email & I'll assure you the assignment will be on the proverbial front burner.

Steven L. Marshall, MAI, SRA  
 Clayton, Roper & Marshall  
 246 N. Westmonte Drive  
 Altamonte Springs, Florida 32714  
 Ph: (407) 772-2200 x 314  
 Fax: (407) 772-1340  
[smarshall@crmre.com](mailto:smarshall@crmre.com)

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Thank you

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**From:** thomas.quagliata@harrisbank.com [mailto:thomas.quagliata@harrisbank.com]  
**Sent:** Tuesday, April 27, 2010 4:11 PM  
**To:** Marshall, Steve; thomas.quagliata@harrisbank.com  
**Subject:** 10-000414-01, Jackson Pointe (Tollefson Development of Florida, Inc.)

Steve -

I left you a voice mail earlier today. I wanted to find out if there is any way you could complete this and the Bonnie's Landing appraisals any sooner than the dates we agreed upon. The lender is a little more concerned about Bonnie's Landing. They're in foreclosure and the lender has some hard dates to try to work around. He originally requested the 10th, which I've already told him is nearly unreasonable; however, any attempt at something sooner would make him very appreciative. If we need to revisit the fee, we can do so (I would need to verify any new fee with the lender first). In any event, I recognize you're probably busy and may not be in a position to accommodate this request.

Thanks Steve,

Tom Quagliata  
 Harris, N.A.  
 Ph. 312-461-4689

4/30/2010



<hr size=2 width="100%" align=center>

Total Control Panel

[Login](#)

To: [smarshall@crmre.com](mailto:smarshall@crmre.com)

Message Score: 10

High (60): Pass

From: [thomas.quagliata@harrisbank.com](mailto:thomas.quagliata@harrisbank.com)

My Spam Blocking Level: Medium

Medium (75): Pass

Low (90): Pass

[Block](#) this sender

[Block](#) harrisbank.com

*This message was delivered because the content filter score did not exceed your filter level.*

size=2 width="100%" align=center>

Total Control Panel

[Login](#)

To: [smarshall@crmre.com](mailto:smarshall@crmre.com)

Message Score: 1

High (60): Pass

From:

My Spam Blocking Level: Medium

Medium (75): Pass

[prvs=thomas.quagliata=727166791@harrisbank.com](mailto:prvs=thomas.quagliata=727166791@harrisbank.com)

Low (90): Pass

[Block](#) this sender

[Block](#) harrisbank.com

*This message was delivered because the content filter score did not exceed your filter level.*

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