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GARY L. WILKINSON
L. PETER JOHNSON (1942-1988)

August 5, 1999

Via Federal Express

Ms. Blanca Bayo, Director
Department of Records & Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

RE: Staff's Second Data Request filed in connection with the Emergency Petition by D.R. Horton Custom Homes, Inc., to Eliminate the Authority of Southlake Utilities, Inc., to Collect Service Availability Charges and AFPI Charges in Lake County, Docket No. 981609-WS, ("Staff's Second Data Request")

Dear Ms. Bayo:

Pursuant to Staff's request for a complete copy of the Summary Appraisal Report, the summary of which was provided by Southlake Utilities, Inc. ("Southlake"), in response to Request 3(b) of Staff's Second Data Request, enclosed is an original and five (5) copies of the First Supplement Response of Southlake Utilities, Inc., to Staff's Second Data Request ("Supplemental Response"). The Supplemental Response includes a complete copy of the appraisal report and also includes additional information for Request No. 3(c) of the Staff's Second Data Request.

If you have any questions or comments, please do not hesitate to call me.

Sincerely,

[Handwritten signature of Scott G. Schildberg]

Scott G. Schildberg

- AFB
APP
CAF
CAN
CTR
EAS
LEG
MAS
OFC
RFR
SEC
WAW
OTH

SGS/pkm
Enclosures

cc: Mr. Robert L. Chapman, III
Mr. Norman Mears
Ms. Samantha Cibula, Esquire
Mr. F. Marshall Deterding, Esquire

COMMUNICATIONS
MAY 10 05 AM '99

DOCUMENT NUMBER-DATE

09419 AUG-6 99

FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Emergency Petition by D.R. )  
Horton Custom Homes, Inc., to ) Docket No. 981609-WS  
eliminate authority of Southlake )  
Utilities, Inc. to collect service ) Date Submitted for Filing:  
availability charges and AFPI ) August 5, 1999  
charges in Lake County )  
\_\_\_\_\_ )

FIRST SUPPLEMENTAL RESPONSE OF SOUTHLAKE UTILITIES, INC.  
TO STAFF'S SECOND DATA REQUEST

DOCUMENT NUMBER-DATE

09419 AUG-68

FPSC-RECORDS/REPORTING

QUESTION 3 (b)

Please provide a copy of the appraisal by Pardue, Heid, Church, Smith and Walker, MAI for the 29 +/- acres of property adjacent to the utility's wastewater plant parcel and any other appraisals utilized to determine the value of the utility's \$1,003,224 land balance.

In addition to the information provided by Southlake Utilities, Inc. ("Southlake Utilities"), in its original Response to Staff's Second Data Request ("Original Response"), attached hereto as Exhibit 3B1 is a complete copy of the Summary Appraisal Report dated September 27, 1994, prepared by Pardue, Heid, Church, Smith, and Walker, MIA ("Pardue") ("Appraisal"). The Appraisal determined that the value of the 29.855 acre parcel was \$1,825,000 (\$61,128.79 per acre).

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CHURCH·SMITH  
& WALLER, INC.**

**Summary Appraisal Of**

**29.855± Acres Of Land Constituting  
Phase 1A Of The Southlake Planned Unit Development,  
Along The West Side of U.S. Highway 27, Approximately One  
Mile North of Its Intersection With U.S. Highway 192,  
In Unincorporated Lake County, Florida**

**For**

**Southlake Development Group  
800 U.S. Highway 27  
Clermont, Florida 34711**

**Attention: Mr. Robert L. Chapman, III**

**By**

**Pardue, Heid, Church, Smith & Waller, Inc.  
1403 West Colonial Drive  
Orlando, Florida 32804-7199**



William P. Pardue, Jr., MAI, SRA  
State-Certified General Appraiser 0000282  
Robert L. Heid, MAI, SRA  
State-Certified General Appraiser 0000043  
Larry A. Church, MAI, SRA  
State-Certified General Appraiser 0000599

**PARDUE • HEID  
CHURCH • SMITH  
& WALLER, INC.**

APPRAISERS • REALTORS  
CONSULTANTS • MARKET ANALYSTS

E.E. Waller, III, MAI, SRA  
State-Certified General Appraiser 0000067

Robert Moreyra, MAI  
State-Certified General Appraiser 0000534

September 27, 1994

Southlake Development Group  
800 U.S. Highway 27  
Clermont, Florida 34711

Attention: Mr. Robert L. Chapman, III

Gentlemen:

At your request, we have conducted the necessary investigations and analysis for the purpose of expressing an opinion of the market value of the fee simple interest in the subject property, a 29.855± acre parcel of land located on the west side of U.S. Highway 27, approximately one mile north of its interchange with U.S. Highway 192, in unincorporated Lake County, Florida. The subject site is Phase 1A of the Southlake PUD. The subject site is currently improved with a 434 unit apartment complex known as the Southlake Apartments.

We have been asked to value the 29.855± acre parcel effective the date of its conveyance as a gift, June 17, 1993. Since the subject was a vacant parcel of land on that date, we have valued the property as vacant and will, from this point on, refer to it as vacant land. The subject property will be briefly described by a legal description and a summary narrative description within the text of the following summary 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 presents only summary 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 and file No. AC920113, dated June 8, 1992. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated below. The appraiser is not responsible for any unauthorized use of this report.

1403 WEST COLONIAL DRIVE  
ORLANDO, FLORIDA 32804-7199  
(407) 841-3602 • FAX (407) 841-1543

AFFILIATED OFFICES IN FLORIDA:

VOLUSIA COUNTY    SARASOTA    TAMPA    PINELLAS COUNTY    WEST PALM BEACH    FT. LAUDERDALE

The purpose of this appraisal was to estimate the market value of the fee simple interest in the subject property as of the effective date of the appraisal, as outlined below. The function of this appraisal is to document the market value of the subject as of the date of the gift, as required by the Internal Revenue Service. The appraisal is made effective the date of this conveyance, June 17, 1993, at which time the property was vacant land. Market value, fee simple interest and other appraisal terms are defined within the text of the following Summary Appraisal Report.

As a result of our investigation into those matters which affect market value, and by virtue of our experience and training, we have formed the opinion that the market value of the fee simple interest in the subject property, effective June 17, 1993, was:

**One Million Eight Hundred Twenty Five Thousand Dollars  
(\$1,825,000).**

Furthermore, assuming the utilization of an organized and coordinated marketing effort, we have estimated a reasonable marketing period for the subject property of approximately one year. This assumes a sale of the property at the market value estimate reported above.


The appraisal analyses, opinions and conclusions were developed and this summary appraisal report has been prepared in conformance with, and use of this report is subject to, the Uniform Standards of Professional Appraisal Practice as promulgated by the Appraisal Standards Board of the Appraisal Foundation and the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute.

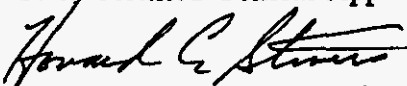
This letter of transmittal precedes the summary narrative appraisal report, briefly describing the property and the reasoning and most pertinent data leading to the final value estimate. Your attention is directed to the "General Assumptions", "General Limiting Conditions", "Certificate of Appraisal" and "Special Conditions", which are considered usual for this type of assignment and have been included within the text of this report.

Respectfully submitted,

Pardue, Heid, Church, Smith & Waller, Inc.

  
Robert Moreyra, MAI  
State-Certified General Appraiser 0000534

  
William Clayton Rodgers, Senior Appraiser  
State-Certified General Appraiser 0001601

  
Howard C. Stivers, Associate  
State-Certified General Appraiser 0001988

**PARDUE·HEID  
CHURCH·SMITH  
& WALLER, INC.**

**TABLE OF CONTENTS**

**DATE PRESENTATION**

Certificate of Appraisal . . . . .	1
Metropolitan Location Map . . . . .	3
Subject Property Location Map . . . . .	4
Summary Appraisal Report - Complete Appraisal . . . . .	5
Client . . . . .	5
Appraiser . . . . .	5
Subject Property . . . . .	5
Purpose of Appraisal . . . . .	5
Function/Intended Use of Appraisal . . . . .	5
Competency of Appraisers . . . . .	5
Scope of Appraisal . . . . .	6
Interest Appraised . . . . .	6
Effective Date of Value/Date of Report . . . . .	6
Subject Property Description . . . . .	6
Property History . . . . .	8
Soil & Subsoil . . . . .	8
Flood Hazard Statement . . . . .	8
Zoning/Comprehensive Plan/Concurrency . . . . .	8
Hazardous Substances . . . . .	8
Neighborhood Data . . . . .	8
Highest And Best Use Estimate . . . . .	9
Marketing Period Estimate . . . . .	10
Appraisal Process . . . . .	10
Analysis of Land Comparables . . . . .	11
Land Sales Location Map . . . . .	12
Land Sales 1 Through 6 . . . . .	13
Adjustments . . . . .	29
Land Value Conclusion . . . . .	30
Land Sales Analysis . . . . .	32
<b>ADDENDA</b>	
Appraiser Qualifications	
Appraisal Engagement Letter	
Definitions of Appraisal Terms	
General Assumptions/Limiting Conditions/Special Conditions	

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CHURCH·SMITH  
& WALLER, INC.**

AC940337

**CERTIFICATE OF APPRAISAL**

The undersigned appraisers hereby certify that they have no present or contemplated future interest in the real estate that is the subject of this appraisal report; that they have no personal interest or bias with respect to the subject matter of this appraisal report or the parties involved; that to the best of their knowledge and belief the statements of fact contained in this appraisal report (upon which the analyses, opinions and conclusions expressed herein are based) are true and correct; that this appraisal report sets forth all of the limiting or qualifying conditions (imposed by the terms of the assignment or by the undersigned) affecting the analyses, opinions and conclusions contained in this report; that no one other than the undersigned prepared the personal unbiased, professional analyses, conclusions and opinions concerning real estate that are set forth in this appraisal report unless and except as acknowledged in this report; that the compensation for this appraisal assignment is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event; and that the value conclusion, as well as other opinions expressed herein, are not based on a requested minimum value, a specific value or approval of a loan.

The appraisal analyses, opinions and conclusions were developed and this appraisal report has been prepared in conformance with, and the use of this report is subject to, the Uniform Standards of Professional Appraisal Practice as promulgated by the Appraisal Standards Board of the Appraisal Foundation, and the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute which includes the provisions for peer review. We do not authorize the out-of-context quoting from or partial reprinting of this appraisal report; and neither all nor part of this appraisal report shall be disseminated to the general public by the use of any public communications media without the prior written consent of the undersigned appraisers.

The Appraisal Institute conducts a voluntary program of continuing education for its designated members. MAIs and SRAs who meet the minimum standards of this program are awarded periodic educational certification. As of the date of this report, I, Robert Moreyra, MAI, have completed the requirements under the continuing education program of the Appraisal Institute.

The subject of this appraisal report is located along the west side of U.S. Highway 27, approximately one mile north of its interchange with U.S. Highway 192, in unincorporated Lake County, Florida.

The undersigned MAI, Senior Appraiser and Associate certify that they have personally inspected the subject property. Additionally, the undersigned Senior Appraiser and Associate certify that they have inspected every comparable sale included in this report.



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CHURCH·SMITH  
& WALLER, INC.**

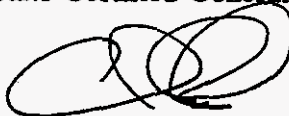
As a result of our investigation into those matters which affect market value, and by virtue of our experience and training, we have estimated that the market value of the fee simple interest in the subject property, effective June 17, 1993, was \$1,825,000.

Furthermore, assuming the utilization of an organized and coordinated marketing effort, we have estimated a reasonable marketing period for the subject property of approximately one year. This assumes a sale of the property at the market value estimate reported above.

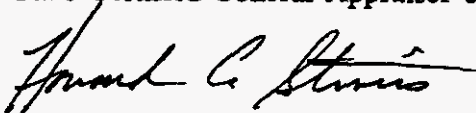
Pardue, Heid, Church, Smith & Waller, Inc.



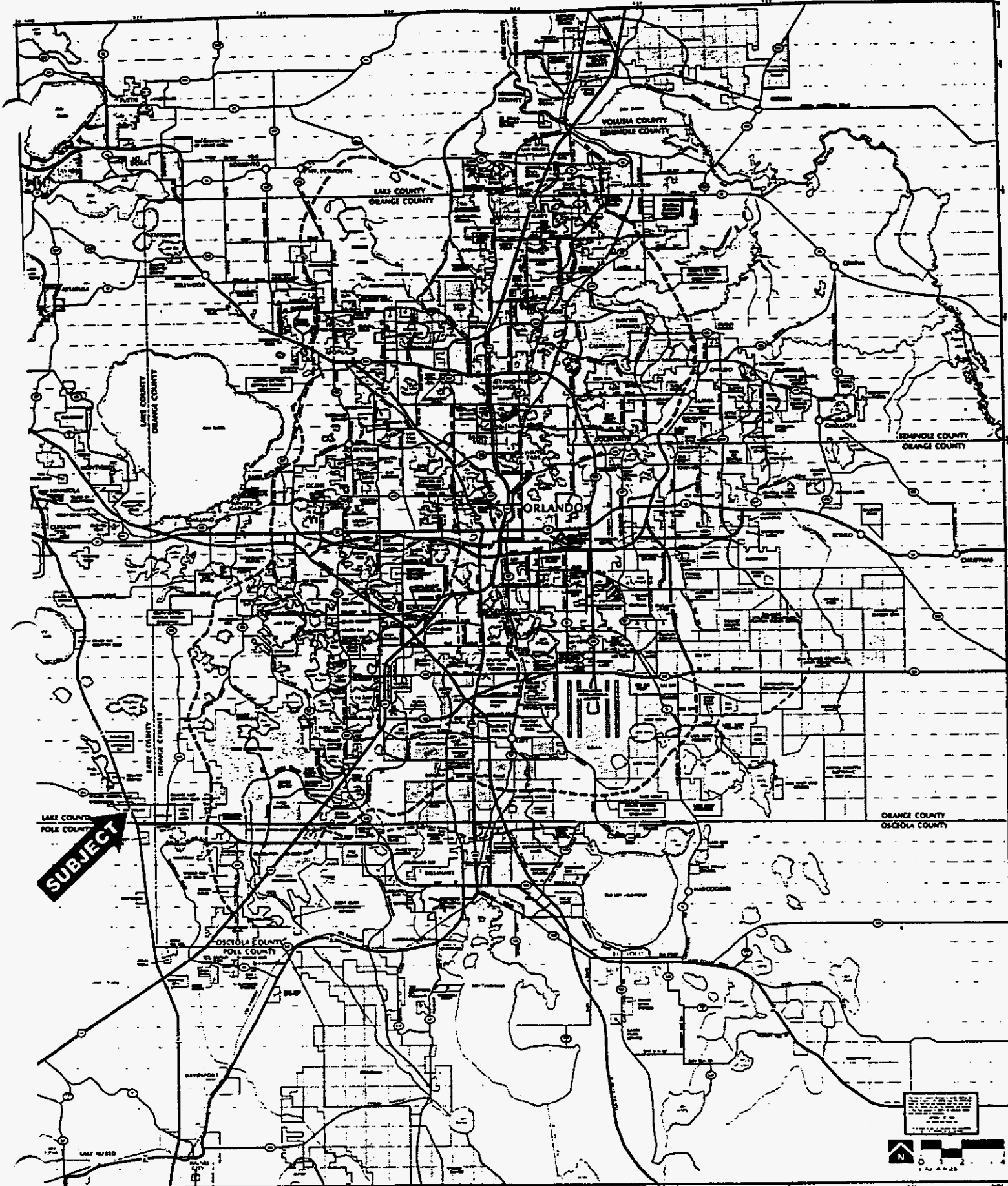
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State-Certified General Appraiser 0001601



Howard C. Stivers, Associate  
State-Certified General Appraiser 0001988



**SUBJECT**

- MUNICIPALITY
- MAJOR IMPROVEMENT PROJECTS
- RURAL IMPROVEMENT

# ORLANDO AREA MAP

INCLUDING AREAS WITHIN LAKE, ORANGE, OSCEOLA, POLK, SEMINOLE AND VOLUSIA COUNTIES

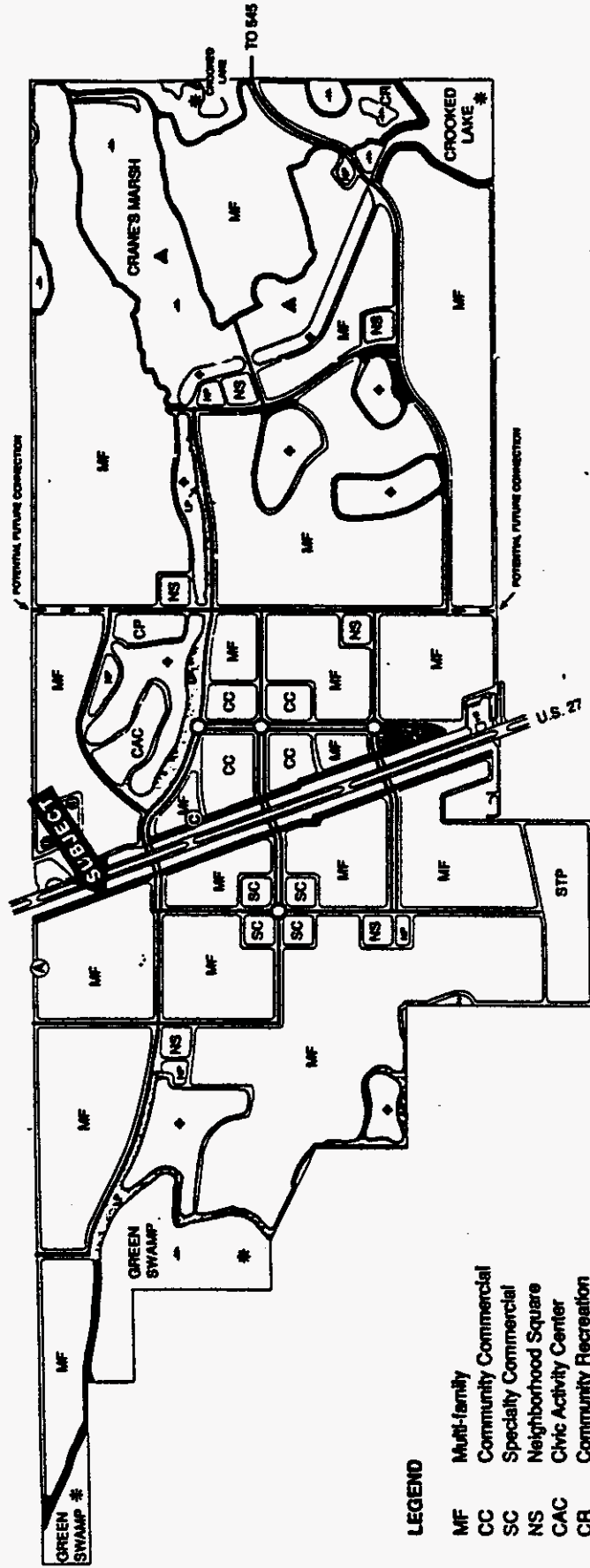
Scale: 1 inch = 1 mile  
 0 1 2 4



**LEW**  
 Lewis, Phipps & Wells, Inc.  
 1000 N. Orange Avenue  
 Orlando, Florida 32801

# Southlake

## Map H1: Conceptual Master Plan



### LEGEND

- MF Multi-family
- CC Community Commercial
- SC Specialty Commercial
- NS Neighborhood Square
- CAC Civic Activity Center
- CR Community Recreation
- CP Community Park
- LP Lakeside Park
- NP Neighborhood Park
- STP Sewage Treatment Plant
- WTP Water Treatment Plant
- \* Preservation Area
- ▲ Conservation Area
- ⊙ Existing Wells
- ⊙ Proposed Wells
- Retention Area

- Buffer Area
- ▣ Lakeside Park



**GIFFORD ANGLIM**  
 Planning Consultant  
 (407) 999-9803  
 P.O. Box 23 • Winter Park, FL 32790

**PARDUE·HEID  
CHURCH·SMITH  
& WALLER, INC.**

AC940337

**SUMMARY APPRAISAL REPORT - COMPLETE APPRAISAL**

**Client**

Mr. Robert L. Chapman, III  
Southlake Development Group  
800 U.S. Highway 27  
Clermont, Florida 34711

**Appraiser**

Pardue, Heid, Church, Smith & Waller, Inc.  
1403 West Colonial Drive  
Orlando, Florida 32804-7199

**Subject Property**

Approximately 29.855 acres of vacant land (as of the date of valuation) associated with Phase 1A of the Southlake Planned Unit Development located along the west side of U.S. Highway 27, approximately one mile north of its interchange with U.S. Highway 192, in unincorporated Lake County, Florida.

**Purpose of Appraisal**

The purpose of this appraisal was to estimate the market value of the fee simple interest in the subject property effective June 17, 1993.

**Function/Intended Use of Appraisal**

The function of this appraisal is to document the market value of the subject as of the date of the gift, as required by the Internal Revenue Service.

**Competency of Appraisers**

The appraisers' specific qualifications are included within the Addendum to 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.

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& WALLER, INC.**

**Scope of Appraisal**

The scope of this appraisal assignment involved the completion of several steps performed within the guidelines of commonly accepted appraisal procedures. These included an inspection of the subject property and surrounding neighborhood; gathering comparable sales, rental and other useful market data, where appropriate; formulating opinions and making judgments based on this data, including supply and demand factors and specific property information, such as highest and best use; and, finally, analyzing the data to form sound valuation judgments based upon the appropriate valuation methods. This Summary Appraisal Report is a brief recapitulation of the appraiser's data, analyses, and conclusions. Supporting documentation is retained in the appraiser's file and in file No. AC920113, dated June 8, 1992.

We have estimated the market value of the subject property via the application of the Sales Comparison Approach, the most commonly used and accepted method of valuing vacant land.

**Interest Appraised**

The interest in the property being appraised is the fee simple interest.

**Effective Date of Value**

June 17, 1993

**Date of Report**

September 27, 1994

**SUBJECT PROPERTY DESCRIPTION**

***Entire Southlake PUD***

The Southlake PUD, of which the subject is a part, contains 617 acres which was previously used for the cultivation of citrus. The subject site (Phase 1A) has been essentially cleared of all citrus trees. The Southlake PUD is designated as a Florida Quality Development by the State of Florida Department of Community Affairs, the first of its kind in Lake County and one of only a handful in the entire state. The Southlake PUD is approved for development of a total of 8,000 residential dwelling units, reflecting a gross density of 12.97 dwelling units per acre. Significant portions of the residential units will be made available as affordable housing. According to the Florida Quality Development Order, at least 50% (4,000) of the 5,000 total dwelling units shall be affordable to households within incomes in the moderate category. Of these 4,000 dwelling units, 1,600 shall be affordable to households with incomes in the low category and 2,400 shall be affordable to households with incomes in the moderate category. The primary target market for the project is the relatively low income service sector employees working in the tourist related attractions and enterprises in the area.

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Two town centers are proposed for the PUD; a west town center containing 40,000± square feet of retail specialty shops and the east town center containing 100,000± square feet which will provide the neighborhood shopping for the PUD residents.

Overall, the Southlake development is proposed to be developed in two phases over a six year period. The Southlake PUD is unique to the area in virtually all respects. The project will feature a unique development plan, targeting a unique market segment, being located in a unique setting and geographical area. We expect that this portion of the Orlando Metropolitan Area will experience rapid growth and development into the foreseeable future, and the Southlake PUD is well located to take advantage of this.

***Subject Property - Phase 1A of Southlake PUD***

The subject property consists of 29.855± acres of multifamily land constituting Phase 1A of the Southlake Planned Unit Development. The Southlake PUD is located in the vicinity of the area of known as "Four Corners", where Lake, Orange, Osceola and Polk counties meet. The subject property is located along, and has access from, the west side of U.S. Highway 27, approximately one mile north of its interchange with U.S. Highway 192, in unincorporated Lake County, Florida. There is an existing median break at the southernmost point of the site's U.S. Highway 27 frontage. All utilities are available to the site.

According to the legal description provided, the subject site contains 29.855± acres, or 1,300,484± square feet. The legal description was previously provided by Mr. Tom Chapman of Southlake Development Group, and is assumed to be accurate and correct. The site is irregular in configuration with 812.14 feet of frontage along the west side of U.S. Highway 27. The irregular configuration will not prevent an efficient utilization of the site. The topography of the subject site is typical of the overall area, being gently rolling.

**Legal Description - Phase 1A**

That part of the North 1/2 of the Northeast 1/4 of Section 35, Township 24 South, Range 26 East, in Lake County, Florida, bounded and described as follows: from the Northwest corner of the Northeast 1/4 of said Section 35, continue along the Northern boundary of said Section North 89°42'18" East 616.52 feet, thence run due South 377.37 feet, thence due East 141.843 feet, more or less, to the Westerly Right-of-Way of U.S. Highway No. 27 and the Point of Beginning; from said Point of Beginning continue along the Westerly Right-of-Way of said highway South 20°35'59" East 812.14 feet, thence run North 80°34'48" West 346.634 feet, thence due South a distance of 636.521 feet, thence due West 952 feet, thence due North 526 feet, thence due West 330 feet, thence due North 330 feet, thence due East 330 feet, thence due South 271 feet, thence due East 299 feet, thence due North 755 feet, thence due East 709.22 feet, more or less to the Point of Beginning, being a parcel of 29.855 acres, more or less.

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**Property History**

The Chapman family has owned the subject for more than the past five years.

**Soil and Subsoil**

See Item 6 of "*General Assumptions*"

**Flood Hazard Statement**

According to the Flood Insurance Rate Map, Community Panel No. 120421 0425B dated April 1, 1982, as published by the Federal Emergency Management Agency, the subject property is *not* located within a designated flood hazard area.

**Zoning/Comprehensive Plan/Concurrency**

The subject property is zoned Planned Unit Development by Lake County, Florida. This zoning designation was approved on September 6, 1990. On June 18, 1991, the Lake County Board of County Commissioners rendered the opinion that the Southlake PUD, of which the subject is a part, is consistent with the Lake County Comprehensive Plan and approved the designation of Southlake as a Florida Quality Development. On June 27, 1991, the Department of Community Affairs executed the development order formally designating the Southlake PUD as a Florida Quality Development.

**Hazardous Substances**

Please refer to Item 11 of the "*General Assumptions*" of this appraisal for a full disclaimer.

**NEIGHBORHOOD DATA**

For appraisal purposes, a neighborhood is defined in terms of common characteristics, trends and groupings of similar and complimentary land uses. The subject property is located in a transitional area of the Orlando Metropolitan Statistical Area. More particularly, the subject is located along the western fringe of the Walt Disney World impact area. Historically, this area was dominated by citrus cultivation but, with recent freezes, this use has been reduced to only a minor existence. Because of the continued growth of the Orlando Metropolitan Area, the subject neighborhood has recently begun showing signs of expected and continued growth. The subject neighborhood has already been approved for very extensive residential, commercial and supporting land uses. In addition, the transportation network is very adequate for continued growth.

The subject neighborhood's trends and demographics is considered good and indicate that the area, being in close proximity to the Orlando Metropolitan Statistical Area (MSA), will develop into a major growth corridor for tourist related commercial development. Additionally, as

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indicated by the success of the existing residential developments in the area, an increased need for a substantial quantity of affordable and moderately price housing units is expected commensurate with the tourist commercial development. Considering the quantity of developable land in the area, as well as the good transportation network (both existing and proposed) and the expanding presence of Disney World, we anticipate that this area will be one of the more popular areas for new development.

**HIGHEST AND BEST USE ESTIMATE**

Highest and best use is a complex concept and, as such, has been defined and redefined in many ways. Highest and best use may be defined as the reasonable and probable use which supports the highest present value, as defined, as of the date of appraisal. Highest and best use can also be defined as the use, from among reasonably probable and legally alternative uses, found to be physically possible, appropriately supported, financially feasible and that results in the highest present land value.

In terms of physical characteristics, the subject property is considered well suited for multifamily residential development because of its adequate size, location, etc. From a legal standpoint, the subject property is zoned PUD by Lake County. Because of the subject's existence as part of the Southlake PUD, a fully vested development project, it will not face any concurrency related obstacles. Therefore, the subject is approved for multifamily residential development. After determining what uses are physically and legally permissible, it is necessary to determine what uses are logical and financially feasible.

As a vacant parcel within the Southlake PUD (as of the date of valuation), a wide variety of potential land uses are possible, i.e., commercial, single-family or multifamily residential.

Commercial land uses are designed to serve the needs of the area residents, taking advantage of frontage, etc. Even though the subject has adequate frontage, we do not consider commercial development as logical or maximally productive as a demand for such a use does not currently exist. Any type of substantial commercial land use would require a much more significant and well established residential base in order to be economically feasible.

It would also be physically possible to develop the subject as a single-family residential land use type. However, we do not consider this to be maximally productive, thus an underutilization of the subject site. As previously discussed, the site is zoned and approved for multifamily residential development, rather than single-family development. It is our observation that current demand for single-family development products are currently being met by such projects as Greater Groves and the Lindfields PUD.

The subject property is well suited for multifamily residential development of some type. Based on our independent analysis of the factors of supply and demand within the subject marketing area, as well as considering an Evaluation of Market Support and Development Potential for the subject property, dated March 11, 1992 and prepared by Charles Wayne Consulting, Inc. we



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& WALLER, INC.**

have formed the opinion that the highest and best use of the site is for multifamily residential development. A copy of this Evaluation of Market Support and Development Potential was provided to the appraisers for their original appraisal of the subject site and the entire Southlake PUD, date June 8, 1992 and referenced as file No. AC920113.

**MARKETING PERIOD ESTIMATE**

Based on interviews with active Realtors and market participants within the subject's marketing area, we believe that a reasonable marketing period for the subject property, assuming an organized and coordinated marketing effort and a sale at our market value estimate herein, is approximately one year.

**APPRAISAL PROCESS**

There are three traditional approaches normally used by appraisers in the estimation of market value. These three approaches analyze data from three market perspectives. These three techniques are the Cost Approach, the Income Approach and the Sales Comparison Approach.

The *Cost Approach* is the sum of the land value and the cost new of the improvements less accrued depreciation. The Cost Approach is based on the premise that an informed, rational investor/purchaser would pay no more for an existing property than it would cost him to reproduce a substitute property with the same utility without undue delay.

The *Income Approach* is based on the premise that a prudent investor would pay no more for the subject property than he would for another investment with similar risk and return characteristics. Since the value of an investment can be considered equal to the present worth of anticipated future benefits in the form of dollar income or amenities, this approach estimates the present value of the net income that the property is capable of producing. This amount is capitalized at a rate which should reflect risk to the investor and the amount of income necessary to support debt service for the mortgage requirement.

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 will not pay more to buy a property than it would cost him to buy a comparable substitute property in a similar location.

The objective of the approaches to value is to yield an indication of market value for the subject property. The indications of value are then reconciled into a final value estimate, taking into consideration the inherent strengths and weaknesses of each of the valuation techniques.

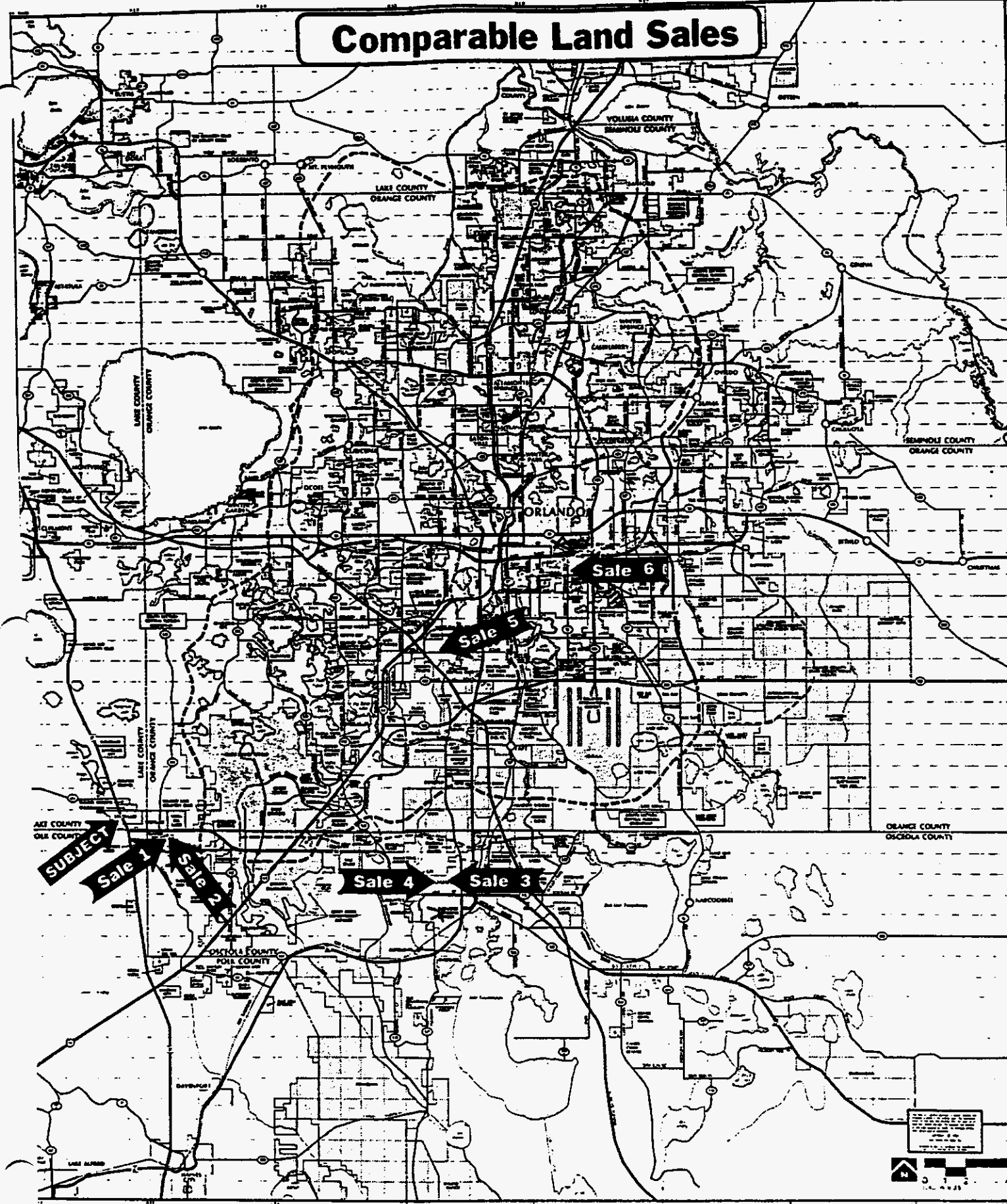
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CHURCH·SMITH  
& WALLER, INC.**

In this instance, we have utilized only the Sales Comparison Approach to estimate the market value of the land area of the subject property since this is the most commonly used and accepted method of valuing vacant land. The reader is reminded that although the subject property has now been improved as an apartment complex, the underlying site is being valued as if vacant, effective June 17, 1993.

**Analysis of Land Comparables**

The Sales Comparison Approach has been used in the valuation of the subject site. Six sales of land similar to the subject have been used in our analysis. Detailed information regarding these sales can be found on the following pages. The land sales used in our analysis were compared to the subject on the basis of price per permitted dwelling unit, as this was the common basis within the market, as indicated by market participants.

# Comparable Land Sales



- MANUFACTURING
- MAJOR FREIGHTWAY
- AIRLINE ROUTE

## ORLANDO AREA MAP

INCLUDING AREAS WITHIN LAKE, ORANGE, OSCEOLA, POLK, SEMINOLE AND VOLUSIA COUNTIES

Scale: 1" = 1 Mile  
 0 1 2 3 4 Miles

**TEW**  
 THEY, HAYES & WALKER, INC.  
 425 W. WINDY HILL ROAD  
 SUITE 100  
 ORLANDO, FLORIDA 32801  
 (407) 251-1111

**PARDUE•HEID  
CHURCH•SMITH  
& WALLER, INC.**

11287  
AC940337

**LAND SALE 1**

**LOCATION**

This parcel is on the west side of Lindfields Boulevard, within the Lindfields PUD, located on the south side of U.S. Highway 192, approximately 3-1/2 miles west of the main entrance to Walt Disney World, in an unincorporated area of Osceola County, Florida.

**LEGAL  
DESCRIPTION**

Tract "G", LINDFIELDS UNIT 1, Plat Book 6, Pages 24-27, of the Public Records of Osceola County, Florida.

**TAX I.D. #**

05-25-27-3955-0001-00G0

**GRANTOR**

The Anden Group of Florida

**GRANTEE**

Capital Partners U.K. Limited, Inc.

**SALE DATE**

February 1, 1991

**SALE PRICE**

\$766,100

**FINANCING**

The purchase of the property involved a Purchase Money Mortgage in the amount of \$615,542.71 at 12% interest, payable in five payments, as follows: \$50,000 by March 28, 1991, \$100,000 by April 28, 1991, \$100,000 by May 28, 1991, \$100,000 by June 28, 1991 and a final payment of the balance of the principal and any accrued interest on July 28, 1991. There was also a mortgage in the amount of \$366,800 for the sewer and water fees payable in one payment with no interest on October 31, 1991. Because of the short-term nature of this financing, reflected in the interest rate, no cash equivalency was necessary.

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11287  
AC940337

**LAND SALE 1  
(Cont'd)**

**VERIFICATION**  
With

Mr. Ronald N. Lambert, V.P. of Finance for The Anden Group of Florida

By

John F. Guinn, 1/91, 3/91 and 5/91

**INSPECTED BY**

Michael D. Dabby, June & July 1991, January 1992

**RECORDED**

O. R. Book 1004, Page 2411, Osceola County, Florida

**DESCRIPTION**  
Site

This irregular site consists of 9.05 usable acres of land area; however, we have added 15% since the site has use of master retention for the Lindfields Development. This reflects an area of 10.41 acres. The site has frontage along the west side of Lindfields Boulevard, south of U.S. Highway 192. The site has a gently rolling terrain and is cleared. All utilities are available and stubbed out to the site.

**Improvements**

There were no improvements at the time of inspection.

**PROPOSED USE**

The site is proposed for a 156 unit condominium complex which will consist of 118 two-bedroom units and 38 three-bedroom units. These units will be a mix of one and two-story buildings. The complex will also have a pool, clubhouse and tennis courts. This reflects a density of 14.99 units per acre, based on 10.41 acres of land.

**ZONING**

PUD (Planned Unit Development) by Osceola County

**ANALYSIS**

This sale reflects \$4,911 per proposed unit.

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11286  
AC940337

**LAND SALE 2**

**LOCATION**

This parcel is on the east side of Lindfields Boulevard, within the Lindfields PUD, located on the south side of U.S. Highway 192, approximately 3-1/2 miles west of the main entrance to Walt Disney World in an unincorporated area of Osceola County, Florida.

**LEGAL  
DESCRIPTION**

Tract "A" of LINDFIELDS UNIT SIX, a subdivision according to the Plat thereof as recorded in Plat Book 6, upon Page 99, of the Public Records of Osceola County, Florida.

**TAX I.D. #**

25-27-5-0000-0050-0000

**GRANTOR**

The Anden Group of Florida

**GRANTEE**

Vacation Villages of America, Inc. (DBA Villages at Mango Key)

**SALE DATE**

Contracted August 15, 1990, Closed October 15, 1991

**SALE PRICE**

\$1,750,000

**FINANCING**

Cash to seller

**VERIFICATION**

With

Mr. Ronald N. Lambert, Vice President of Finance for The Anden Group of Florida

By

John F. Guinn, January 1991 and May 1991

**RECORDED**

O.R. Book 1036, Page 330, Osceola County, Florida

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11286  
AC940337

**LAND SALE 2  
(Cont'd)**

**DESCRIPTION**  
Site

The site is irregularly shaped, consisting of approximately 18.893 usable acres of land area. However, in order to account for the master drainage system within the PUD, we have added 15% for an effective land area of 21.73 acres. The site has frontage along the east side of Lindfields Boulevard, with some exposure from U.S. Highway 192. The site is gently rolling terrain and some lightly wooded areas. All utilities are available.

**Improvements**

There were no improvements at the time of inspection.

**PROPOSED USE**

The site is approved for 302 residential units. The project is known as Villages at Mango Key and will be developed in two phases. Amenities will include three pools, three spas and two tennis courts. The indicated residential density is 13.90 units per acre.

**ZONING**

PUD (Planned Unit Development) by Osceola County

**COMMENTS**

This property is intended for use as short-term rentals which are investor owned. This type of use is not permitted in all areas of the county and caused upward pressure on the per unit purchase price.

**ANALYSIS**

Analysis of this sale reflects a per unit purchase price of \$5,795 per proposed unit and \$80,534 per acre.

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12325  
AC940337

**LAND SALE 3**

**LOCATION**

This property is located in the northeast quadrant of the intersection of Thacker Avenue and Columbia Street in the city of Kissimmee, Osceola County, Florida.

**LEGAL  
DESCRIPTION**

Lots 1 through 16, Block O; Lots 1 through 5, 7 through 10, and 12 through 16, Block P; Lots 1 through 16, Block Q; Lots 1 through 16, Block R; Lots 1 through 12, less the Southerly five feet of Lots 6 and 7 for road right-of-way, Block W, and Lots 1 through 10, Block X; all in DELMOS PARK, according to the plat thereof as recorded in Plat Book 1, Page 136, Public Records of Osceola County, Florida;

**AND**

The South 264 feet of the West 412 feet of the NW 1/4 of the SW 1/4 in Section 16, Township 25 South, Range 29 East, Osceola County, Florida, less the South 30 feet for road right-of-way and also less that certain parcel previously conveyed to the city of Kissimmee by deed recorded in Official Records Book 815, Page 1491, and more particularly described as follows: Beginning at a point 30.0 feet North of the South line of the NW 1/4 of the SW 1/4 of Section 16, Township 25 South, Range 29 East, Osceola County, Florida, and 30.0 feet East of the West line of said NW 1/4 of SW 1/4, said point being at the intersection of the North right-of-way line of Columbia Avenue and the East right-of-way line of Thacker Avenue; run Easterly along said North right-of-way line 15.0 feet; run thence Northwesterly 21.22 feet, more or less, to a point on the East right-of-way line of Thacker Avenue, said point being 15.0 feet North of the Point of Beginning; run thence South along said right-of-way line 15.0 feet to the Point of Beginning.



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**LAND SALE 3  
(Cont'd)**

Together with all of Grantor's right, title and interest in and to all dedications, reservations, easements, roads, streets and rights-of-way within or adjacent to the foregoing real property.

<b>TAX I.D.</b>	25-29-16-00U0-0080-0000
<b>GRANTOR</b>	Confidential (See Comments)
<b>GRANTEE</b>	Reef Club Apartments I Associates, L.P.
<b>SALE DATE</b>	December 9, 1991
<b>SALE PRICE</b>	\$1,500,000
<b>FINANCING</b>	Cash Transaction
<b>VERIFICATION</b>	
<b>With</b>	Nelda Tarcai, Broker
<b>By</b>	William Clayton Rodgers, 4/27/92, 4:30 p.m.
<b>Inspected</b>	April 17, 1992
<b>RECORDED</b>	O. R. Book 1042, Page 2344, Osceola County, Florida
<b>DESCRIPTION</b>	The site has an irregular but not inefficient configuration and a total land area of approximately 20 acres. The site has frontage along the east side of Thacker Avenue and the north side of Columbia Street. The site is well wooded and at approximate road grade. There were no improvements at the time of sale.

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12325  
AC940337

**LAND SALE 3  
(Cont'd)**

**HIGHEST AND  
BEST USE**

**Multifamily Residential Development**

**PROPOSED USE**

The property is now being developed as the Reef Club Apartments, which will be a 280 unit project. This reflects a residential density of approximately 14 units per acre. The project will have 24 apartment buildings, with a unit mix of 140 one-bedroom units and 140 two-bedroom units.

**ZONING**

**RC-2 (Multifamily), City of Kissimmee**

**COMMENTS**

Although the deed indicates a lesser selling price, the verifying source, who was the broker in the transaction, stated that the property was 20 acres that sold for \$75,000 per acre, or \$1,500,000. During the interview, the broker was very emphatic about this information. In addition, it was requested that the grantor's name remain confidential for security reasons. The grantor was a member of a well-to-do family in Osceola County.

**ANALYSIS**

Analysis of this sale indicates per unit purchase prices of \$5,357 per proposed dwelling unit and \$75,000 per acre.

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10327  
AC940337

**LAND SALE 4**

**LOCATION**

This property is located at the northwest corner of Columbia Street and Dyer Boulevard, in Kissimmee, Osceola County, Florida.

**LEGAL  
DESCRIPTION**

From the Southeast corner of Section 17, Township 25 South, Range 29 East, Osceola County, Florida, run North along the East line of Section 17 a distance of 80.0 feet to the North right-of-way line of State Road 530, run thence West along said right-of-way line 3,935.0 feet, run thence North and parallel to the East line of said Section 17, 1,275.77 feet to a point on the North right-of-way line of Columbia Avenue, run thence North 89°49'45" West along said right-of-way line a distance of 35.0 feet to the Point of Beginning, run thence North and parallel to the East line of said Section 17, 1,465.83 feet to a point 178.0 feet North of the South line of the North 1/2 of said Section 17, run thence North 89°44'45" West parallel to said South line 355.0 feet, run thence South 1,466.32 feet to the North right-of-way line of Columbia Avenue, run thence Southeasterly on a 920.37 foot radius curve to the left 11.14 feet to the point of tangent, run thence South 89°49'45" East 343.86 feet to the Point of Beginning.

**LESS AND EXCEPT THE FOLLOWING DESCRIBED  
PROPERTY:**

From the Southeast corner of Section 17, Township 25 South, Range 29 East, Osceola County, Florida, Run North along the East line of Section 17 a distance of 80.0 feet, to the North right-of-way line of State Road 530 (U.S. Highway 192); Run thence West along said North right-of-way line 3,935.0 feet; Run thence North and parallel to the East line of said Section 17, 1,275.77 feet to a point on the

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**LAND SALE 4  
(Cont'd)**

North right-of-way line of Columbia Avenue; Run thence North 89°49'45" West along said North right-of-way line a distance of 35.0 feet to the Point of Beginning; Run thence North parallel to the East line of said Section 17, a distance of 25.0 feet; Run thence South 38°43'35" West a distance of 31.97 feet to a point on the North right-of-way line of Columbia Avenue; Run thence South 89°49'45" East along said North right-of-way a distance of 20.0 feet; To the Point of Beginning.

**TAX I.D. #** 17-25-29-00U0-0037-0000

**GRANTOR** Steven A. Freeman, Trustee

**GRANTEE** Epi-Polos at Kissimmee Partners

**SALE DATE** March 23, 1990

**SALE PRICE** \$1,050,000 and \$55,000 in Contract Extension Fees = \$1,105,000

**FINANCING** Cash

**VERIFICATION**  
With John Robinson, SE Mortgage

By Kate L. Fullen, 2/13/90, 12:00 P.M.

**RECORDED** O.R. Book 961, Page 1621, Osceola County, Florida

**DESCRIPTION**  
Site This rectangular site contains 11.95 acres and is basically level and at road grade. There is approximately 355 feet of frontage on Columbia Street and 1,465 feet on Dyer Boulevard. The entire site is considered usable and is wooded with mature pines.

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**LAND SALE 4**  
**(Cont'd)**

**Improvements**

There were no improvements at the time of sale.

**PROPOSED USE**

The site has been improved with a 216 unit apartment complex known as Polos South. The project features five unit types from 607 square feet to 1,105 square feet. The indicated gross residential density is 18.08 units per acre.

**ZONING**

RC-2, City of Kissimmee

**COMMENTS**

The contract price was \$1,050,000; however, an additional \$55,000 in contract extension fees were paid.

**ANALYSIS**

This sale reflects a per unit purchase price of \$5,116 per dwelling unit.

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13865  
AC940337

**LAND SALE 5**

**LOCATION**

This property is on the north side of Oak Ridge Road, about 1/2 mile east of the Florida Turnpike, in Orange County, Florida.

**LEGAL  
DESCRIPTION**

A parcel of land lying in Section 20, Township 23 South, Range 29 East, Orange County, Florida, more particularly described as follows:

From the Southwest corner of the Northwest 1/4 of said Section 20; run N 90°00'00" E, 933.91 feet (934.17 actual measure) along the South line of said Northwest 1/4; thence run N 00°40'45" E 50.00 feet along the West line of the Easterly 3/5 of Lots 23 and 26 of McKoy Land Company Subdivision of Section 20, Township 23 South, Range 29 East, as recorded in Plat Book F, Page 48 of the Public Records of Orange County, Florida, to the Point of Beginning; thence continue N 00°40'45" E, 1275.04 feet along said line, thence run N 89°55'27" E, 401.58 feet along the centerline of that unnamed vacated road lying North of said Lot 23; thence run S 00°42'24" W, 663.30 feet along the West line of Camelia Gardens Section Three as recorded in Plat Book 3, Pages 77 and 78 of the Public Records of Orange County, Florida, thence run N 89°57'44" E, 720.00 feet along the South line of Camelia Gardens Section Three as recorded in Plat Book 3, Pages 77 and 78, of the Public Records of Orange County, Florida, and along the South line of Camelia Gardens Section Two as recorded in Plat Book Z, Page 24 of the Public Records of Orange County, Florida; thence run S 00°00'00" W, 215.00 feet; thence run S 60°34'06" W 172.23 feet; thence run S 00°00'00" E 62.75 feet; thence run S 89°57'12" W, 400.00 feet; thence run S 00°00'00" E, 250.00 feet; thence S 90°00'00" W, 578.51 feet to the Point of Beginning.

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**LAND SALE 5  
(Cont'd)**

<b>TAX I.D.</b>	20-23-29-0000-00001
<b>GRANTOR</b>	Irving Sussman (12% Interest) Oakridge Road Property Associates (88% Interest)
<b>GRANTEE</b>	Orange Oakridge Park Associates
<b>SALE DATE</b>	October 14, 1992
<b>SALE PRICE</b>	\$ 138,000 12% Interest <u>\$1,012,000</u> 88% Interest \$1,150,000 Total
<b>FINANCING</b>	Cash to Sellers
<b>VERIFICATION</b> With	Donna Pepper, CED Construction, Inc.
By	Robert Von
<b>Inspected</b>	May 3, 1994
<b>RECORDED</b>	O.R. Book 4474, Page 984, Orange County, Florida (12% Interest), and O.R. Book 4474, Page 989, Orange County, Florida (88% Interest)
<b>DESCRIPTION</b>	The site contains 18.4 acres, with 578 feet of frontage along the north side of Oak Ridge Road. The site is generally level and at road grade, with scattered wetland areas. Sewer and water service are available.

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**LAND SALE 5  
(Cont'd)**

**PROPOSED USE**

The site has been developed with a 216 unit apartment complex known as Ridge Club. This project was financed with assistance from the Low Income Housing Tax Credit program; therefore, the project has income restrictions. The density is 11.74 units per acre.

**ZONING**

R-3, Multiple Family Residential, Orange County

**COMMENTS**

Apartments were constructed in 1993 and contain 48 one-bedroom, 96 two-bedroom, and 72 three-bedroom units. The project has 11 buildings ranging from two to three stories, one community swimming pool, and a clubhouse.

The grantee also has an option on an adjacent site which contains 12.1 acres and is suitable for development of no less than 150 units. The option price is \$640,000 during the first year, or \$4,267 per unit. The option increases to \$680,000 over the second year, or \$4,533 per unit.

**ANALYSIS**

The total purchase price reflects \$5,324 per unit, or \$62,500 per acre.



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**LAND SALE 6**

**LOCATION**

This sale is located on the east side of Watauga Avenue, 750 feet south of Curry Ford Road, approximately one-quarter mile west of Conway Road, in southeast Orlando, Orange County, Florida.

**LEGAL  
DESCRIPTION**

Lot 1, OAK BROOK TERRACE, according to the Plat thereof as recorded in Plat Book 12, Page 118, Public Records of Orange County, Florida:

Also described as follows:

The Southwest 1/4 of the Northwest 1/4 of the Northeast 1/4 of Section 5, Township 23 South, Range 30 East, Orange County, Florida, being more particularly described as follows: COMMENCE at the North 1/4 corner of Section 5, Township 23 South, Range 30 East, Orange County, Florida, thence South 00°05'29" West 664.16 feet along the North-South Center section line of said Section 5 for a point of beginning; thence East 662.75 feet along the North line of the Southwest 1/4 of the Northwest 1/4 of the Northeast 1/4 of said Section 5 to the West line of EDMUNDS SHIRE as recorded in Plat Book "V", Page 148, Public Records of Orange County, Florida; thence South 00°03'49" West, 664.16 feet along the West line of said EDMUNDS SHIRE to the North line of CONWAY COURT REPLAT as recorded in Plat Book "2", Page 12, Public Records of Orange County, Florida; thence West 664.07 feet along the North line of said CONWAY COURT REPLAT to a point on the East line of AGNES HEIGHTS FIRST ADDITION as recorded in Plat Book "X", Page 39, Public Records of Orange County, Florida, said point also lying on the North-South center section line of said Section 3, thence North 00°05'29" East, 664.16 feet along the North-South center section line of Section 5 to the Point of Beginning.

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13385  
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**LAND SALE 6  
(Cont'd)**

**AND:**

Block "A", ATLANTIC BANK PLACE, as recorded in Plat Book 7, at Page 58, of the Public Records of Orange County, Florida, LESS: Begin at the Northwest corner of Block "A", ATLANTIC BANK PLACE, as recorded in Plat Book 7, at Page 58, of the Public Records of Orange County, Florida; thence run South 00°05'17" West 285.57 feet along the West boundary of said Block "A", thence run South 89°57'59" East 317.46 feet; thence run North 00°04'51" East 285.76 feet to a point on the North boundary of said Block "A"; thence run West 517.42 feet to the Point of Beginning, ALSO LESS: From the Northwest corner of Block "A", ATLANTIC BANK PLACE, as recorded in Plat Book 7, at Page 58, of the Public Records of Orange County, Florida, run South 00°05'17" West 285.57 feet along the West boundary of said Block "A" for the Point of Beginning; thence run South 89°57'58" East 317.46 feet; thence run North 00°04'51" East 285.76 feet to a point on the Northern boundary of said Block "A"; thence run East 315.97 feet along said North boundary to the Northeast corner of said Block "A"; thence run South 00°02'27" West 400.00 feet along the East boundary of said Block "A" to a point on the South boundary of the North 450.00 feet of the Northwest 1/4 of the Northwest 1/4 of the Northeast 1/4 of Section 5, Township 23 South, Range 30 East, as shown on said Plat of ATLANTIC BANK PLACE; thence run West 633.72 feet along said South boundary to a point on the above said West boundary of Block "A"; thence run North 00°05'17" East 114.43 feet to the Point of Beginning.

**TAX I.D.**

23-30-05-6009-00-010  
23-30-05-0320-01-002

**GRANTOR**

Orlando Plaza Associates

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**LAND SALE 6  
(Cont'd)**

<b>GRANTEE</b>	Orlando Watauga Woods Associates, L.P., Ltd.
<b>SALE DATE</b>	November 3, 1992
<b>SALE PRICE</b>	\$1,075,000
<b>FINANCING</b>	Cash to seller
<b>VERIFICATION</b> <b>With</b>	James E. Slater, legal representative of grantee
<b>By</b>	David Floyd, September 14, 1993
<b>RECORDED</b>	O.R. Book 4483, Page 3159 of Orange County
<b>DESCRIPTION</b> <b>Site</b>	The site contains 12.78 usable acres, and has 878.48 feet of frontage along Watauga Avenue and an average depth of 633.86 feet. Water and sewer are available to the site.
<b>PROPOSED USE</b>	This site was subsequently developed with a 216 unit, affordable housing apartment project known as Watauga Woods. This reflects a density of 16.9 dwelling units per acre.
<b>ZONING</b>	R-3B, Orlando; multifamily residential with a maximum density of 21 units per acre
<b>ANALYSIS</b>	This sale reflects a unit purchase price of \$84,116 per acre, or \$4,977 per unit.

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Typical elements of comparison that should be considered when analyzing vacant land include real property rights conveyed, financing terms, conditions of sale (motivation), market conditions (sale date/time), location, physical characteristics (size, frontage, corner, etc.) and highest and best use. The following section details our adjustments regarding the sales utilized in comparison to the subject site. Adjustments to the sales used in direct comparison are illustrated on the Land Sales Analysis chart which follows this discussion.

**Adjustments**

*Property Rights Conveyed* - The interest being appraised in the subject property is the fee simple interest. In each of the land sales analyzed, the property rights conveyed were also the fee simple interest. Therefore, no adjustment was required for property rights conveyed.

*Financing* - All of the sales were either cash transactions or considered to be cash equivalent. Since the market value of the subject is based on cash, or cash equivalent terms, no adjustment for financing has been made.

*Conditions of Sale* - This adjustment is to reflect motivations of the buyer and seller. Based on conversations with the confirming parties and other sources, there were no unusual motivations surrounding the purchases, therefore, no adjustments have been made.

*Market Conditions* - We have made no adjustments to the comparable land sales to account for the passage of time, or changes in market conditions. It has been our observation that land values overall have remained generally stable during the time period represented by the comparable sales analyzed within the subject marketing area. We have not been able to document increasing or decreasing land values in the area of the subject via the analysis of sales and subsequent resales of comparable properties.

After economic adjustments were applied, where applicable, for property rights conveyed, financing, conditions of sale, and market conditions, the adjusted sale prices range from \$4,911 per dwelling unit to \$5,795 per dwelling unit. The remaining physical adjustments are discussed below.

*Location* - Where applicable, we have made adjustments to comparable land sales to account for differences in locational characteristics. This adjustment is intended to be a composite type adjustment, taking into consideration all location-related property characteristics. All locational characteristics, such as geographic location, frontage and accessibility, proximity to primary growth centers, etc., are addressed within the location adjustment category. The subject site is considered to have good locational characteristics; however, it is necessary to recognize the more centralized location of these properties, in comparison to the subject.

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Although we consider the highest and best use of the subject site to be multifamily residential development, it is necessary to account for the more remote location of the subject in comparison to the comparable land sales analyzed. Land Sales 1 and 2 required negative adjustments of 15% each. This adjustment is intended to reflect the fact that both of these properties are located within the Lindfields PUD. Although Lindfields is situated within the subject neighborhood, it is located in the eastern portion of the neighborhood, in closer proximity to primary employment centers, service oriented commercial developments etc. Land Sales 3 and 4 required negative adjustment of 20% each to account for their superior locational characteristics as a result of being located centrally within the city of Kissimmee. Similarly, Land Sales 5 and 6 required negative adjustments of 20% each to account for their superior locational characteristics as a result of being centrally located in Orlando.

*Size* - The subject site contains 29.855± acres with the comparable sales ranging in size from 10.41± acres to 21.73± acres. It has been our experience that, typically, a larger property will sell for less on a per unit basis than a smaller property, all other things being equal. Our analysis of the available sales data indicated that market participants do not seem to recognize any price differential based on size for properties in this size range. For this reason, we have made no adjustment to the comparable sales on this basis.

*Zoning* - We have made a negative adjustment to Land Sale 2 to reflect a rather unusual characteristic of this property. This property was purchased with approvals for short-term rentals. When developed, the units will be sold in fee, but it will be permissible to lease the units as short-term rentals. This characteristic allowed the purchaser to pay more for the property, and the adjustment is derived via a paired sales analysis between this sale and the sale of a similar property within the Lindfields PUD which did not have these approvals.

*Density* - We have made adjustments to the comparable land sales to account for differences in proposed and/or residential densities of from negative 5% to positive 5%. Land Sales 4 and 6 required positive 5% adjustments to account for their higher densities of 18.08 and 16.90 units per acre, respectively, as compared to the subject's density of 14.54 units per acre. Conversely, Land Sale 5, with a density of 11.74 units per acre, required a negative 5% adjustment.

### **Land Value Conclusion**

The sales analyzed range in price from \$3,993 per unit to \$4,349 per unit, as adjusted. These are the indicated individual values for the subject property. As adjusted, the sales indicate an average price per unit of \$4,230, with a standard deviation of \$134 per unit. The indicated range is relatively narrow and considered representative of what a purchaser would pay for a vacant site having characteristics similar to those of the subject property. Therefore, the greatest weight has been given to Land Sales 1 and 2 due to their proximity and similarity to the subject.

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Also, considerable emphasis was given to Land Sales 5 and 6, the most recent transactions. Therefore, based on the foregoing rationale, and the remaining sales data, we have estimated the market value of the subject property to be \$4,200 per unit.

Therefore, by multiplying the subject's 434 permitted units by \$4,200 per unit indicates a market value of the subject site, as vacant, effective June 17, 1993, of \$1,822,800, which we have rounded to, **\$1,825,000.**

AC940337

### LAND SALES ANALYSIS

	Subject Property	Land Sale 1	Land Sale 2	Land Sale 3	Land Sale 4	Land Sale 5	Land Sale 6
Grantor	N/A	Anden Group	Anden Group	Confidential	Freeman, Trustee	Sussman/Oakridge	Orl. Plaza Assocs.
Grantee	N/A	Capital Prtns.	Vacation Villages	Reef Club Apts.	Epi-Polos @ Kiss.	O.O. Prk. Assocs.	Watuga Woods
Sale Date	N/A	February 1991	August 1990	December 1991	March 1990	October 1992	November 1992
Sale Price	N/A	\$766,100	\$1,750,000	\$1,500,000	\$1,105,000	\$1,150,000	\$1,075,000
Size (Acres)	29.855	10.41	21.73	20	11.95	18.4	12.78
No. of Units	434	156	302	280	216	216	216
Zoning	PUD	PUD	PUD	RC-2	RC-2	R-3	R3-B
Density	14.54	14.99	13.90	14.00	18.08	11.74	16.90
Sale Price/Acre	N/A	\$73,593	\$80,534	\$75,000	\$92,469	\$62,500	\$84,116
Sale Price/Unit	N/A	\$4,911	\$5,795	\$5,357	\$5,116	\$5,324	\$4,977

#### Economic Adjustments

Property Rights							
Conveyed	N/A	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing	N/A	Cash Equivalent	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller
Conditions of Sale	N/A	Arm's Length	Arm's Length	Arm's Length	Arm's Length	Arm's Length	Arm's Length
Market Cond. (Time)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Adj. Price/Unit	N/A	\$4,911	\$5,795	\$5,357	\$5,116	\$5,324	\$4,977

#### Physical Adjustments

Location	N/A	-15%	-15%	-20%	-20%	-20%	-20%
Size	N/A	0%	0%	0%	0%	0%	0%
Zoning	N/A	0%	-10%	0%	0%	0%	0%
Density	N/A	0%	0%	0%	5%	-5%	5%
Net Adjustment	N/A	-15%	-25%	-20%	-15%	-25%	-15%
Adj. Price/Unit	N/A	\$4,174	\$4,346	\$4,286	\$4,349	\$3,993	\$4,231

**Average: Price/Unit = \$4,230    Std. Dev. = \$134/Unit**  
**Conclusion: Subject's 434 Units @ \$4,200/Unit = \$1,822,800**  
**Rounded to, \$1,825,000**

PARDUE·HEID  
CHURCH·SMITH  
& WALLER, INC.

ADDENDA

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PARDUE·HEID  
CHURCH·SMITH  
& WALLER, INC.

Appraiser Qualifications

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**PARDUE·HEID  
CHURCH·SMITH  
& WALLER, INC.**

**QUALIFICATIONS OF ROBERT MOREYRA, MAI**

**Business Address**

Pardue, Heid, Church, Smith & Waller, Inc.  
1403 West Colonial Drive  
Orlando, Florida 32804  
(407) 841-3602, Ext. 211

**Employment History**

February 1986                      Commercial Real Estate Analyst, Chief Executive Officer and Principal  
To Date                              Pardue, Heid, Church, Smith & Waller, Inc.

Analysis and appraisal of commercial properties, specializing in complex institution grade projects (i.e., office buildings, shopping malls and hotel/resorts); residential developments (subdivisions, planned unit developments and apartments); large scale mixed use planned developments; problem properties, with specialization in office buildings, shopping centers and industrial properties; and market studies for highest and best use analysis and multiple phase development sellout projections.

Testified in Orange County Bankruptcy Court as an expert witness to matters pertaining to the value of real property.

March 1978                              Planning Officer  
to January 1986                      City of Hialeah, Florida  
Oversaw activities related to the city's growth management policy, mainly in the areas of zoning, future land use, roadways, utilities and other public services.

**Concurrent Employment (Part-time)**

September 1987 to                      Assistant Development Director  
September 1988                      Trammell Crow Company, Altamonte Springs, Florida  
Site selection and market feasibility analysis for multifamily residential projects in Orlando, Jacksonville, Melbourne and Daytona markets.

**PARDUE•HEID  
CHURCH•SMITH  
& WALLER, INC.**

**QUALIFICATIONS OF ROBERT MOREYRA, MAI  
(Cont'd)**

**Education**

Master of Business Administration; Graduate School of Business at University of Central Florida

Bachelor of Business Administration, Real Estate and Finance major; College of Business Administration at Florida International University

**Appraisal courses sponsored by the Appraisal Institute**

Standards of Professional Practice	Case Studies in Real Estate Valuation
Real Estate Appraisal Principles	Valuation Analysis in Litigation
Basic Valuation Procedures	Real Estate Valuation in Litigation
Capitalization Theory and Techniques	Discounted Cash Flow Analysis
Appraisal Review	Depreciation Analysis
Rate Extraction	Highest & Best Use and Market Analysis
Appraising Interim Use Properties	

**Other Seminars**

Appraisal Regulations of the Federal Banking Agencies, William L. Pittenger, MAI, SREA, November 1990

Memorandum R41c Seminar, FHLBB, February 1987

Valuation and Evaluation of Proposed Projects Seminar, William L. Pittenger, MAI, SREA, November 1987

**Publications**

Subdivision Analysis - A Profit Residual Model, *The Appraiser Journal*, January 1988, Page 45.

**Professional Affiliations and Licenses**

Member, Appraisal Institute (MAI) since January 1990 - Certificate 8371

Appraisal Institute - National Education Committee Member

Appraisal Institute - East Central Florida Chapter; Education Committee Member and Director

Appraisal Institute - MAI Program of University of Florida; Chairman

Appraisal Institute - Young Advisory Council Alumni

Licensed Florida Real Estate Broker - June 1989

State-Certified General Appraiser - September 1990

**PARDUE•HEID  
CHURCH•SMITH  
& WALLER, INC.**

**QUALIFICATIONS OF ROBERT MOREYRA, MAI  
(Cont'd)**

**Professional Affiliations and Licenses (Cont'd)**

Rotary International - Member and Director  
Orlando Chamber of Commerce - Member  
Downtown Orlando Partnership - Member  
Florida Association of Realtors - Member  
Leadership Orlando - Alumni  
Economics Club of Orlando

**Certification**

Currently Certified with the Appraisal Institute  
State-Certified General Appraiser with State of Florida - 0000534  
State-Certified General Appraiser with State of Georgia - 004916

**Partial List of Clients**

**Financial Institutions**

Citicorp Real Estate Group  
Sun Bank, N.A.  
First Union National Bank  
Barnett Bank  
NationsBank  
SouthTrust

**Real Estate Investment Groups**

Principal Financial Group  
Aetna Life Insurance Company  
Travelers Insurance Company/  
The Prospect Company

**Developers**

Trammell Crow Company  
Lincoln Property Company  
Major Realty Corporation  
L. J. Hooker International  
Heathrow Land Development

**Public and Regulatory Entities**

Seminole County  
Orange County  
City of Orlando  
Resolution Trust Company (RTC)  
Federal Deposit Insurance Corp.  
(FDIC)

**PARDUE·HEID  
CHURCH·SMITH  
& WALLER, INC.**

**QUALIFICATIONS OF WILLIAM CLAYTON RODGERS**

**Business Address**

Pardue, Heid, Church, Smith & Waller, Inc.  
1403 West Colonial Drive  
Orlando, Florida 32804  
Telephone: (407) 841-3602, Extension 216

**Residence**

3171 Ash Park Loop  
Winter Park, Florida 32792

**Education**

Bachelor of Science Degree in Business Administration, Majoring in Real Estate from University of Florida in August 1981.

**Courses Sponsored by The Appraisal Institute**

Real Estate Appraisal Principles	Course 1A Part I	- October 1981
Basic Valuation Procedures	Course 1A Part II	- August 1982
Capitalization Theory & Techniques	Course 1B Part A	- May 1985
Standards of Professional Practice		- December 1985
Capitalization Theory and Techniques	Course 1B Part B	- March 1991
Case Studies in Real Estate Valuation	Course 2-1	- October 1991
Report Writing and Valuation Analysis	Course 2-2	- May 1992

AIREA Seminar on Federal Home Loan Bank Board Memorandum R41B - October 1985

AIREA Seminar on Federal Home Loan Bank Board Memorandum R41C - February 1987

**Licenses and Affiliations**

State-Certified General Appraiser 0001601  
Real Estate Salesman - State of Florida since 1981  
Candidate for MAI Designation of The Appraisal Institute  
Leadership Orlando Alumni - Class of 1990-1991

**Experience**

Senior Appraiser with Pardue, Heid, Church, Smith & Waller, Inc. since September 1981

**Areas of Specialization Include:**

Planned Unit Developments  
Subdivisions

Agricultural Properties  
Apartments

**PARDUE·HEID  
CHURCH·SMITH  
& WALLER, INC.**

**QUALIFICATIONS OF HOWARD C. STIVERS**

**Business Address**

Pardue, Heid, Church, Smith & Waller, Inc.  
1403 West Colonial Drive  
Orlando, Florida 32804  
Telephone: (407) 841-3602, Extension 392

**Education**

Bachelor of Science in Business Administration  
Major in Real Estate, Florida State University

**Real Estate Courses, Florida State University:**

Principles of Real Estate	Real Estate Finance
Real Estate Appraisal	Real Estate Feasibility
Real Estate Market Analysis	Real Estate Law

**Courses Sponsored by the Appraisal Institute:**

Course 1A1 - Real Estate Appraisal Principles (By Exam)  
Course 1BA - Capitalization Theory and Techniques, Part A (By Exam)  
Course 510 - Advanced Income Capitalization  
Standards of Professional Practice, Part A  
Standards of Professional Practice, Part B  
Litigation Valuation  
Report Writing & Valuation Analysis

**Seminars sponsored by the Appraisal Institute:**

Depreciation Analysis  
Rates, Ratios and Reasonableness  
Market Extractions - Income Properties  
Appraisal Review

**Licenses, Memberships and Affiliations**

State-Certified General Appraiser #0001988  
Candidate for Member of the Appraisal Institute, Candidate # M922028  
Florida Real Estate Salesman - Inactive Status  
Orlando Chamber of Commerce, Member  
Downtown Orlando Partnership, Member

**Experience**

Associate Commercial Appraiser with Pardue, Heid, Church, Smith & Waller, Inc.

**PARDUE·HEID  
CHURCH·SMITH  
& WALLER, INC.**

**Appraisal Engagement Letter**

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William P. Pardue, Jr., MAI, SRA  
State-Certified General Appraiser 0000262  
Robert L. Heid, MAI, SRA  
State-Certified General Appraiser 0000043  
Larry A. Church, MAI, SRA  
State-Certified General Appraiser 0000699



**PARDUE • HEID  
CHURCH • SMITH  
& WALLER, INC.**

APPRAISERS • REALTORS  
CONSULTANTS • MARKET ANALYSTS

E.E. Waller, III, MAI, SRA  
State-Certified General Appraiser 0000067

Robert Moreyra, MAI  
State-Certified General Appraiser 0000534

September 16, 1994

Mr. Robert L. Chapman, III  
Southlake Development Group  
800 U.S. Highway 27  
Clermont, Florida 34711

Re: Appraisal of Underlying Land Associated With  
Southlake Apartments For Internal Revenue Service Purposes

Dear Robert:

As you requested, I spoke with John Greenlee this morning concerning appraisal requirements relative to the above referenced property. He reiterated that the IRS requires an appraisal of this property dated no earlier than sixty days prior to June 17, 1993, which is reportedly the date of the gift.

In our appraisal of the proposed Southlake Apartment complex, we provided a value estimate for the vacant site of \$1,825,000. The effective date of that appraisal was June 8, 1992, or approximately one year prior to the date of the gift. I asked Mr. Greenlee if it would be sufficient to write a letter stating that, as of the date of the gift, it is my opinion that the value of the underlying land was equal to or greater than the value estimate prepared effective June 8, 1992. Any such letter would need to be worded this way because I would suspect that the value of the property increased somewhat between June of 1992 and June of 1993.

Mr. Greenlee's response was that such a letter would most likely not be sufficient for IRS purposes and, based upon my experience in this area, I must concur. I will be glad to write a letter to that effect, but I doubt that it will serve your needs. I would have to state clearly in the letter that I have not conducted an appraisal of the property in question since the original date of valuation of June 8, 1992, and I would not be able to complete IRS Form 8283.

In order to serve your needs, I suggest that our firm be engaged to conduct an appraisal of the Southlake Apartments site. In order to keep your appraisal costs to an absolute minimum, I can prepare a summary report which will meet all the requirements of the Uniform Standards of Professional Appraisal Practice (USPAP) and that will be accepted by the Internal Revenue Service. Such a report would be less detailed than a full narrative, self contained report, however it would be supported by a fully documented report file. The scope of the appraisal investigation would be the same as with a full narrative report, which is to say that it would not be a limited scope appraisal investigation.

1403 WEST COLONIAL DRIVE  
ORLANDO, FLORIDA 32804-7199  
(407) 841-3602 • FAX (407) 841-1543

**AFFILIATED OFFICES IN FLORIDA:**

VOLUSIA COUNTY    SARASOTA    TAMPA    PINELLAS COUNTY    WEST PALM BEACH    FT. LAUDERDALE



Our fee for preparing the appraisal report as outlined above will be \$1,200. Delivery will be within a period of approximately two weeks from your authorization to proceed, as well as our receipt of a retainer in the amount of \$600.

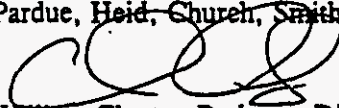
The appraisal fee quoted above includes three original copies of the appraisal report. A reasonable amount of incidental consultations in connection with the assignment is included in the appraisal fee quoted. Should exceptional consultations, meetings or expert testimony be required, our hourly billing rates are \$150/hour for an MAI/Principal, \$100/hour for a Senior Appraiser/Associate, and \$50/hour for research staff.

Your signature below authorizes our firm to prepare the summary appraisal on the above referenced property, as outlined, for a total fee of \$1,200. Please sign and return one copy of this letter to engage our services.

In conclusion, I hope that you find this proposal to be satisfactory. I can certainly understand your desire to minimize appraisal costs whenever possible, but I cannot sign IRS Form 8283 unless I have conducted an appraisal of the property in question within the prescribed time frame. As always, if you should have any additional questions regarding this matter, please do not hesitate to contact me.

Respectfully Submitted,

Pardue, Heid, Church, Smith & Waller, Inc.

  
William Clayton Rodgers, Director  
State-Certified General Appraiser 0001601

WCR:gmc

I hereby authorize PARDUE, HEID, CHURCH, SMITH & WALLER, INC. to perform the inspection report on the property herein described, under the terms and conditions outlined above.

Client Name: Southlake Development Group

By:

R. C. Chapman H

Date:

9/22/94

**PARDUE·HEID  
CHURCH·SMITH  
& WALLER, INC.**

Definition of Market Value  
Definition of Fee Simple Interest  
Definition of Highest and Best Use

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# PARDUE·HEID CHURCH·SMITH & WALLER, INC.

AC940337

## DEFINITION OF MARKET VALUE

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, knowledgeably and assuming the price is not affected by undue stimulus.

Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (a) buyer and seller are typically motivated; (b) both parties are well informed or well advised, and each acting in what he considers his own best interests; (c) a reasonable time is allowed for exposure in the open market; (d) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (e) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.<sup>1</sup>

## DEFINITION OF FEE SIMPLE INTEREST

Absolute ownership unencumbered by any other interest or estate; subject only to the limitations of eminent domain, escheat, police power, and taxation.<sup>2</sup>

## DEFINITION OF HIGHEST AND BEST USE

Highest and best use is defined as: (1) the reasonable and probable use that supports the highest present value of vacant land or improved property, as defined, as of the date of the appraisal; (2) the reasonably probable and legal use of land or sites as though vacant, found to be physically possible, appropriately supported, financially feasible, and that results in the highest present land value; and (3) the most profitable use.

Implied in these definitions is that the determination of highest and best use takes into account the contribution of a specific use to the community and community development goals as well as the benefits of that use to individual property owners. Hence, in certain situations the highest and best use of land may be for parks, greenbelts, preservation, conservation, wildlife habitats, and the like.<sup>3</sup>

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<sup>1</sup> Uniform Standards of Professional Appraisal Practice, Page I-7; 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; National Credit Union Administration, 12 CFR Part 722, Sec. 722.2; Appraisal Institute, The Dictionary of Real Estate Appraisal, 1993

<sup>2</sup> American Institute of Real Estate Appraisers, The Dictionary of Real Estate Appraisal, 1993

<sup>3</sup> Ibid.

**PARDUE•HEID  
CHURCH•SMITH  
& WALLER, INC.**

**General Assumptions  
General Limiting Conditions  
Special Conditions**

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**PARDUE•HEID  
CHURCH•SMITH  
& WALLER, INC.**

**GENERAL ASSUMPTIONS**

1. The legal description used in this report is assumed to be correct.
2. No survey of the property has been made by the consultant and no responsibility is assumed in connection with such matters. Sketches in this report are included only to assist the reader in visualizing the property.
3. No responsibility is assumed for matters of legal nature affecting title to the property nor is an opinion of title rendered. The title is assumed to be good and merchantable.
4. Information and data furnished by others is usually assumed to be true, correct and reliable. When such information and data appears to be dubious and when it is critical to the analysis, a reasonable effort has been made to verify all such information; however, no responsibility for its accuracy is assumed by the consultant.
5. All mortgages, liens, encumbrances, leases, and servitudes have been disregarded unless so specified within the report. The property is analyzed as though under responsible ownership and competent management.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover them.
7. It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless noncompliance is stated, defined and considered in this report.
8. 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 report.
9. It is assumed that all required licenses, consents 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 estimate contained in this report is based.
10. 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 noted within this report.

**PARDUE·HEID  
CHURCH·SMITH  
& WALLER, INC.**

**GENERAL ASSUMPTIONS  
(Cont'd)**

11. We are not expert in determining the presence or absence of hazardous substances, defined as all hazardous or toxic materials, wastes, pollutants or contaminants (including, but not limited to, asbestos, PCB, UFFI, or other raw materials or chemicals) used in construction, or otherwise present on the property. We assume no responsibility for the studies or analyses which would be required to determine the presence or absence of such substances or for loss as a result of the presence of such substances.
12. This appraisal is subject to the proposed improvements being developed in accordance with the plans and specifications referred to within the following report. The appraisal is further subject to the renovations being performed in accordance with building, zoning and other regulatory requirements.
13. The prospective leased fee value estimates are based on the assumption that the property will lease-up in accordance with the current letters of intent. If the letters of intent fail to materialize as leases, the prospective value estimates and the date of stabilization may change.

**PARDUE·HEID  
CHURCH·SMITH  
& WALLER, INC.**

**GENERAL LIMITING CONDITIONS**

1. The consultant will not be required to give testimony or appear in court because of having made this analysis, with reference to the property in question, unless arrangements have been previously made thereof.
2. Possession of the report, or 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 consultant, and in any event only with proper written qualifications and only in its entirety.
3. The distribution of the total valuation in this report between land and improvements, if any, applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.
4. No environmental impact studies were either requested or made in conjunction with this analysis, and the consultant hereby reserves the right to alter, amend, revise, or rescind any of the value opinions based upon any subsequent environmental impact studies, research and investigation.
5. Neither all nor any part of the contents of this report, or copy thereof, shall be conveyed to the public through advertising, public relations, news, sales or any other media without written consent and approval of the consultant. Nor shall the consultant, firm or professional organization of which the consultant is a member be identified without written consent of the consultant.
6. Neither our name nor report may be used in conjunction with any financing plans which would be classified as a public offering under state or federal securities laws.
7. Acceptance of and/or use of this report constitutes acceptance of the foregoing General Assumptions and General Limiting Conditions.
8. The Americans with Disabilities Act of 1990 sets strict and specific standards for handicapped access to and within most commercial and industrial buildings. Determination of compliance with these standards is beyond appraisal expertise and, therefore, has not been attempted by the appraisers. For purposes of this appraisal, we are assuming the building is in compliance; however, we recommend an architectural inspection of the building to determine compliance or requirements for compliance. We assume no responsibility for the cost of such determination and our appraisal is subject to revision if the building is not in compliance.

**PARDUE·HEID  
CHURCH·SMITH  
& WALLER, INC.**

**SPECIAL CONDITIONS**

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 presents only summary 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 and file No. AC920113, dated June 8, 1992. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated within the body of this report. The appraiser is not responsible for any unauthorized use of this report.



QUESTION 3(c)

Please provide documentation for any land sales adjacent to the utility's land.

In addition to the documentation provided in the Original Response, attached hereto is Exhibit 3C3, which is a copy of a statement of closing for an approximately one acre site located within 750 feet north of the water treatment plant site. Both the one acre site and the water treatment plant site have frontage on U.S. Highway 27. Southlake Utilities was informed by a representative of the seller that the one acre site sold for \$350,000.00 per acre in April of 1999.

**STATEMENT OF CLOSING  
(BUYER'S)**

**SELLERS:** SFH Enterprises, Inc.  
**BUYER:** First Federal Savings Bank of Lake County  
**DATE OF CLOSING:** April 26, 1999

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<b>PURCHASE PRICE:</b>	<b>\$350,000.00</b>
<b>LESS:</b>	
Rent Proration from 4/26/99-4/30/99 ( 5 days @ 67.59 )	\$ 337.95
<b>Subtotal:</b>	<u><b>\$349,662.05</b></u>
<b>PLUS:</b>	
Record Deed	\$ 6.00
Documentary Stamps on Deed	\$2,450.00
Title Search Fee	\$ 100.00
Title Insurance	\$2,040.00
<b>Subtotal:</b>	<u><b>\$354,258.05</b></u>
<b>TOTAL:</b>	<b>\$354,258.05</b>

**CASH DUE FROM BUYER: \$354, 258.05**

**BUYER(S):**  
**FIRST FEDERAL SAVINGS BANK**  
**BY:** Stephen T. Kurtz  
Steve Kurtz, President