

AN APPRAISAL OF

**THE VACANT AGRICULTURAL LAND
KNOWN AS THE SFWMD DISTRICT
TRACT NUMBER 27100-063, LOCATED
ON THE WEST SIDE OF FLYING COW
RANCH ROAD AT 160TH TRAIL SOUTH
IN THE WELLINGTON AREA OF
PALM BEACH COUNTY, FLORIDA**

FILE #11-65618

PREPARED FOR

SOUTH FLORIDA WATER MANAGEMENT DISTRICT

REQUESTED BY

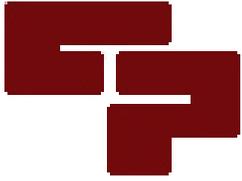
JAMES DUNCAN

AS OF

JULY 19, 2011

BY

STEPHEN D. SHAW, MAI
CALLAWAY & PRICE, INC.



Callaway & Price, Inc.

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July 22, 2011

Mr. James Duncan
South Florida Water Management District
3301 Gun Club Road
West Palm Beach, FL 33406

Dear Mr. Duncan:

We have made an investigation and analysis of the vacant agricultural land known as the SFWMD Tract 27100-063, located on the west side of Flying Cow Ranch Road at 160th Trail South in the Wellington area of Palm Beach County, Florida. The Subject Property will be further described both narratively and legally within the following Self Contained Appraisal Report. The purpose of this investigation and analysis was to provide our opinion of the Market Value of the Fee Simple Estate of the Subject Property as of July 19, 2011.

This report has been prepared for our client, South Florida Water Management District Real Estate Section. The intended use was to assist the District in the possible sale of the Subject tract. The scope of work performed is specific to the needs of the intended user and the intended use. No other use is intended, and the scope of work may not be appropriate for other uses.

The scope of work performed included a complete analysis of the Subject Property with no omitted approaches to value. A detailed scope of work description can be found in the body of this report.

Based upon the scope of the assignment, our investigation and analysis of the information contained within this report, as well as our general knowledge of real estate valuation procedures and market conditions, it is our opinion that the Market Value of the Fee Simple Estate of the Subject Property as of July 19, 2011 was:

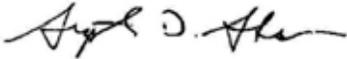
\$50,000

Mr. James Duncan
South Florida Water Management District
July 22, 2011
Page Two

A description of the property appraised, together with an explanation of the valuation procedures utilized, is contained in the body of the attached report. For your convenience, an Executive Summary follows this letter. Your attention is directed to the Limiting Conditions and underlying assumptions upon which the value conclusions are contingent.

Respectfully submitted,

CALLAWAY & PRICE, INC.

A handwritten signature in black ink, appearing to read "Stephen D. Shaw". The signature is fluid and cursive, with a long horizontal stroke at the end.

Stephen D. Shaw, MAI
Cert.Gen. RZ1192

SDS/RAC:js/11-65618
Attachments



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ADDENDA

Letter of Engagement
Appraisal Report Checklist
Qualifications:
 Stephen D. Shaw, MAI
 Robert A. Callaway



CERTIFICATION

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest or bias with respect to the parties involved.
4. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. Our compensation 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 directly related to the intended use of this appraisal.
7. The analyses, opinions, and conclusion were developed, and this report was prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).
8. Stephen D. Shaw has made a personal inspection of the property that is the subject of this report.
9. Robert A. Callaway provided significant real property assistance to the person signing this certification.
10. The use of this report is subject to the requirements of the State of Florida relating to review by the Florida Real Estate Appraisal Board.
11. The reported analyses, opinions and conclusion were developed, and this report was prepared, in conformity with the requirements of the Appraisal Institute's Code of Professional Ethics and Standards of Professional Appraisal Practice, which include the Uniform Standards of Professional Appraisal Practice.
12. This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.



PART I – INTRODUCTION

13. We have not provided services regarding this property within the last three years.
14. I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
15. As of the date of this report, Stephen D. Shaw, MAI has completed the requirements under the continuing education program of the Appraisal Institute.

Stephen D. Shaw, MAI
Cert.Gen. RZ1192



SUMMARY OF SALIENT FACTS AND CONCLUSIONS

PROPERTY TYPE : Vacant Land

LOCATION : The Subject Property is located along the west side of Flying Cow Ranch Road at its southerly intersection with 160th Trail South, 4.7 miles south of Southern Boulevard (E. S.R. 80), in the Wellington area of unincorporated Palm Beach County, Florida.

DATE OF VALUATION : July 19, 2011

DATE OF REPORT : July 22, 2011

PROPERTY DESCRIPTION:

LAND : 2.85 Acres, Triangle Shaped, which is overgrown with vegetation on top of its muck soils.

BUILDINGS : The Subject Property has no buildings or site improvements.

ZONING : AR, Agricultural Residential, by Palm Beach County

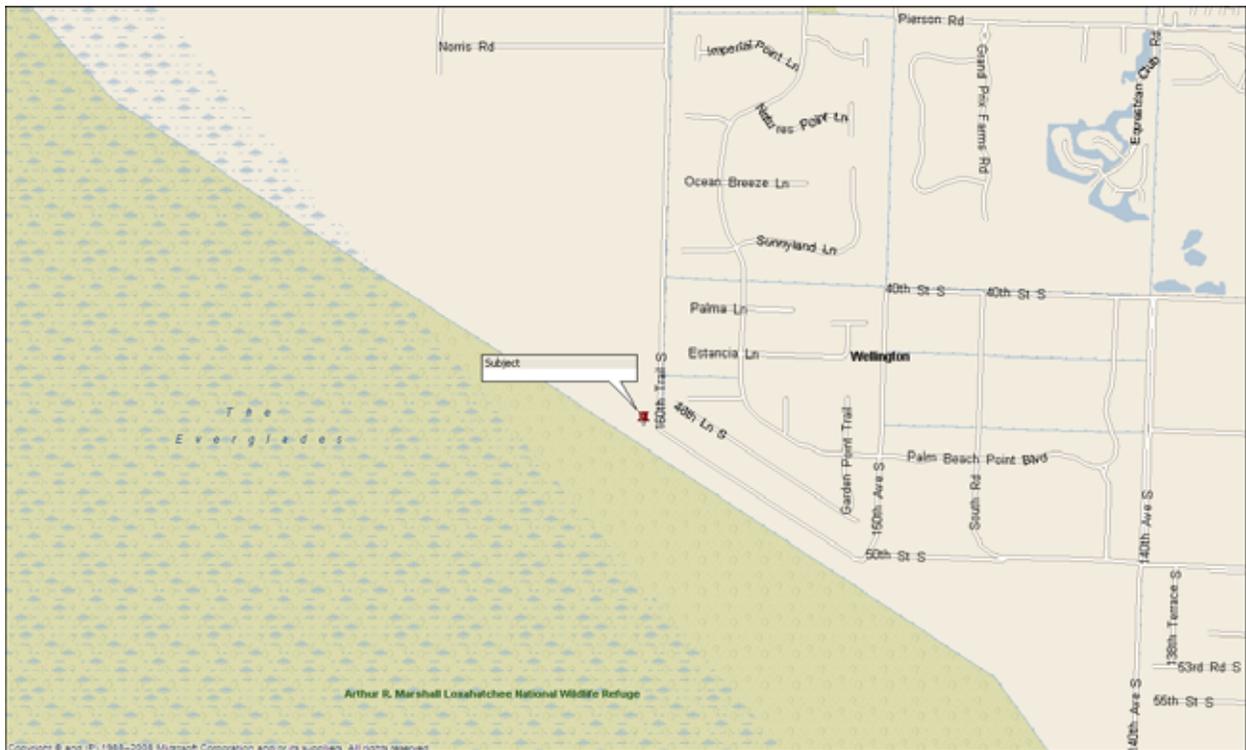
LAND USE PLAN : CON, Conservation, by Palm Beach County

HIGHEST AND BEST USE : Agriculture or agricultural ranchette type use.

MARKET VALUE OF THE FEE SIMPLE ESTATE OF THE SUBJECT PROPERTY AS OF JULY 19, 2011 : \$50,000



PHOTOGRAPHS OF SUBJECT PROPERTY





VIEW LOOKING SOUTHEAST ALONG 160TH TRAIL SOUTH
FROM SOUTHEAST CORNER OF SUBJECT



VIEW OF SOUTHEAST CORNER OF SUBJECT PROPERTY AND SOUTH END
OF FLYING COW RANCH ROAD; WITH SUBJECT ON RIGHT OF PHOTO



VIEW LOOKING WEST AT SOUTH BOUNDARY (AND DITCH)
OF THE SUBJECT PROPERTY



VIEW LOOKING NORTHWEST AT SUBJECT PROPERTY
FROM FLYING COW RANCH ROAD



VIEW LOOKING NORTH ALONG FLYING COW RANCH ROAD
WITH SUBJECT ON LEFT OF PHOTO



VIEW LOOKING SOUTHWEST AT SUBJECT PROPERTY
FROM FLYING COW RANCH ROAD



AERIAL PHOTO – NOT A SURVEY FOR VISUAL REFERENCE ONLY



STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

1. Unless otherwise stated, the value appearing in this appraisal represents the opinion of the Market Value or the Value Defined AS OF THE DATE SPECIFIED. Market Value of real estate is affected by national and local economic conditions and consequently will vary with future changes in such conditions.
2. The value estimated in this appraisal report is gross, without consideration given to any encumbrance, restriction or question of title, unless specifically defined.
3. This appraisal report covers only the property described and any values or rates utilized are not to be construed as applicable to any other property, however similar the properties might be.
4. It is assumed that the title to the premises is good; that the legal description is correct; that the improvements are entirely and correctly located on the property described and that there are no encroachments on this property, but no investigation or survey has been made.
5. This appraisal expresses our opinion, and employment to make this appraisal was in no way contingent upon the reporting of predetermined value or conclusion.
6. No responsibility is assumed for matters legal in nature, nor is any opinion of title rendered. In the performance of our investigation and analysis leading to the conclusions reached herein, the statements of others were relied on. No liability is assumed for the correctness of these statements.
7. Neither all nor any part of the contents of this report (especially any conclusions, the identity of the appraiser or the firm with which he is connected, or any reference to the Appraisal Institute or any of its designations) shall be disseminated to the public through advertising media, public relations media, news media, sales media or any other public means of communication without our prior written consent and approval.
8. 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. The appraiser assumes no responsibility for such conditions or the engineering which might be required to discover these factors.



9. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation stachybotrys chartarum (mold), asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, was not called to the attention of, nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test for such substances or conditions. If the presence of such substances, such as asbestos, urea formaldehyde foam insulation, or other hazardous substances or environmental conditions, may affect the value of the property, the value estimated is predicated on the assumption that there is no such proximity thereto that would cause a loss in value. We are unaware of very wet conditions that may have existed for days or weeks which are required to grow mold. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them.
10. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. The appraisers have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since the appraisers have no direct evidence relating to this issue, possible noncompliance with the requirements of ADA in estimating the value of the property has not been considered.
11. Our opinion of value was based on the assumption of competent marketing and management regarding the Subject Property. If there is no competent marketing and management, then the value contained herein may not apply.



SCOPE OF THE APPRAISAL

According to the 13th Edition of The Appraisal of Real Estate, the Scope of Work is the amount and type of information researched and the analysis applied in an appraisal assignment. Generally this includes a detailed outline of the steps performed to complete the appraisal assignment and more importantly any steps that were not performed per request of the client. In the case of the Subject Property, all appropriate valuation techniques were performed. Located below is a summary of the Scope of Work performed.

The first step in the appraisal process involved defining the appraisal problem which included the purpose and date of value, determining the interest being appraised, intended use and user of the appraisal, and identifying the real estate (legal description). This step also determined if the appraisal were subject to any extraordinary assumptions or hypothetical conditions.

The next step involved the inspection of the Subject Property on July 19, 2011 by Stephen D. Shaw, MAI and Robert A. Callaway. The inspection allowed us to understand the physical components of the Subject Property. In addition to the inspection of the Subject Property, we also began the data-collection process and, subsequently, an analysis of the factors that affect the market value of the Subject Property, including a neighborhood analysis and property data analysis. Site information such as zoning, utilities, et cetera was based upon discussions with various representatives mentioned within those discussions. Comparable data was gathered from our files, the Palm Beach County Property Appraisers Office, CoStar, Loopnet, Public Records, and various sources noted throughout this report.

The third step in the process was to determine the Highest and Best Use of the Subject Property as vacant. Through the Highest and Best Use analysis, we determined the issues that have an effect on the final opinion of value. To determine the Highest and Best Use, we relied on information obtained from the data-collection process. It is our opinion the Highest and Best Use is for an agricultural or agricultural ranchette type use.

The fourth step was the application of the appropriate approach for the valuation. No approaches were specifically omitted from this appraisal either by the client or the appraiser. The most reliable way to estimate land value is by Sales Comparison. When few sales are available, however, or when the value indications produced through Sales Comparison need additional support, alternative techniques like extraction or allocation may be applied. In the case of the Subject Property, the only approach used was the Sales Comparison Approach. Since only one approach to value was used, no reconciliation was needed.



The Subject Property is unique and no exactly similar data was found. It is low lying and is muck land which will need to be compacted and filled in order to be used for a residence. It is triangular in shape and the comparables are square or rectangles. It is zoned AR (1 unit per 5 acres) and has a Conservation Future Land Use plan. It is located in the extreme west/southwest corner of any residential development on the edge of the Loxahatchee National Wildlife Refuge. The comparables are all superior in many aspects. We analyzed comparables just east of the Subject in Wellington's Palm Point Subivision. However, these were five acre lots in a platted subdivision with paved roads. They were vastly superior and all ranged in the \$70,000 to \$75,000 per acre. We then analyzed sales to the north off Flying Cow Ranch Road in the Rustic Ranches area of western Wellington. Again these sales are superior in most aspects but we found three good sales located nearby. The final data we analyzed was smaller lot sales in the Acreage area of unincorporated Palm Beach County west of Loxahatchee. These sales were also superior in most aspects but we found three good, recent, small sales comparables.



PURPOSE OF THE APPRAISAL

Purpose, Date of Value, and Interest Appraised

The purpose of this investigation and analysis was to provide our opinion of the Market Value of the Fee Simple Estate of the Subject Property for the possible sale of the subject tract, as of July 19, 2011.

Intended Use and User of Appraisal

This report has been prepared for our client, South Florida Water Management District Real Estate Section. The intended use was to assist the District in the possible sale of the Subject tract. The scope of work performed is specific to the needs of the intended user and the intended use. No other use is intended, and the scope of work may not be appropriate for other uses.

Market Value

The appraiser shall estimate Market Value based on Florida case law (State Road Dept. v. Stack, 231 So.2d 859 FL 1st DCA 1969) market value is defined as:

The amount of money that a purchaser willing but not obligated to buy the property would pay an owner willing but not obligated to sell, taking into consideration all uses to which the property is adapted and might be applied in reason. Inherent in the willing buyer-willing seller test of the fair market value is the following:

- 1) A fair sale resulting from fair negotiations.
- 2) Neither party is acting under compulsion of necessity (this eliminates forced liquidation or sale at auction). Economic pressure may be enough to preclude a sale's use.
- 3) Both parties having knowledge of all relevant facts.
- 4) A sale without peculiar or special circumstances.
- 5) A reasonable time to find a buyer.



Fee Simple Estate

The Dictionary of Real Estate Appraisal, Fifth Edition 2010, by the Appraisal Institute, defines Fee Simple Estate on page 78 as follows:

"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."



SUMMARY OF APPRAISAL PROBLEMS

For the valuation of the Subject Property we encountered several appraisal problems. Located below is a summary of the items followed by our method to solve these problems:

1. The Subject Property consists of an agricultural / conservation type rural property. It is remotely located. It has potential legal issues which could limit any future development on the site because of its AR, one unit per five acre zoning (the Subject is only 2.85 acres) and Con, Conservation future land use plan designation. It may still be allowed to be developed with one unit based on a variance allowing lots on these areas that are remnants or undersized to still be allowed to have one unit, but that is an issue that would have to be determined by a land planner with the appropriate zoning and land use agencies. It is low lying, below road grade, and is all muck lands. It is triangular shaped. It is overgrown with vegetation. Finding similar comparable sales was not easy and all of the best sales still required significant adjustments for these factors.
2. Additionally properties in this market, as well as all of South Florida have seen dramatic decreases in value. To estimate the Subject's current market value we have considered the most applicable sales as well as the current listings. Our conversations with brokers and sellers allowed us to have a full understanding of the current market.



LEGAL DESCRIPTION

**Exhibit "A"
Tract No. 27-100-063**

All that portion of the South half of the North half of Section 25, Township 44 South, Range 40 East, Palm Beach County, Florida, lying Easterly of the Easterly Right-of-Way line of South Florida Water Management District's Levee L-40.

Also known as:

A portion of Section 25, Township 44 South, Range 40 East described as follows: Beginning at the Southeast corner of those certain lands as conveyed in Official Records Book 15060, Page 293 of the Official Records of Palm Beach County, Florida: thence, South 01°17'01" West, (basis of bearings, a grid azimuth) along the East line of said Section 25, 398.46 feet more or less to an intersection with the Easterly Right-of-Way line of the Central and Southern Florida Flood Control District Canal L-40; thence, North 57°08'22" West along said Easterly Right-of-Way line, 729.21 feet more or less to the Southwest corner of those certain lands as conveyed in said Official Records Book 15060, Page 293; thence 89°43'08" East, 621.49 feet more or less along the South line of the North half of the North half of said Section 25 to the Point of Beginning.

Containing 2.85 acres, more or less.

Source: SFWMD.



AREA, CITY & NEIGHBORHOOD DATA

PALM BEACH COUNTY AREA DATA





Introduction

Economic, governmental, environmental, and social forces directly affect a property's highest and best use and, thus, its value. To accurately reflect such influences, it is necessary to examine the past and probable future trends that may affect the economic structure of the market area and evaluate their impact on the market potential of the Subject. In our analysis, we have also included selected data on Broward and Miami-Dade Counties. These two counties along with Palm Beach County are defined as "South Florida".

Geography

Palm Beach County is located on Florida's southeast coast 250± miles south/southeast of Jacksonville and 50± miles north of Miami. It is bounded by Martin County to the north, Broward County to the south, Hendry and Glades Counties and Lake Okeechobee to the west, and the Atlantic Ocean to the east. The county has 45± linear miles of coastline, measured north to south, with a width of 53+/- miles measured from east to west. It contains approximately 2,387 square miles of area, of which 1,974+/- square miles is land area, with the remaining 412+/- square miles being water area. The water area includes a portion of Lake Okeechobee, which is the largest freshwater lake inside the State.

The county varies geographically, with beach resorts and urban areas along the Atlantic Coast, preservation areas, agricultural areas, and Lake Okeechobee to the west. Urban and suburban developments generally extend 6 to 15 miles inland. The average elevation is 15 feet above sea level and the terrain is sandy flatland with occasional, gently sloping, coastal ridges. The climate is subtropical with an average temperature of 75+/- Fahrenheit. Prevailing winds come from the east/southeast and the average yearly rainfall is 62+/- inches. The climate, known for mild winters due to its proximity to the warm Gulf Stream currents of the Atlantic Ocean, is a major factor contributing to the county's growth.

Population

Over the past two decades, virtually every economic sector in Palm Beach County has grown because of population increases. According to data from the U.S. Census Bureau, the county's 2000 population was 1,131,190, up roughly 31% from the 1990 population of 863,503. The most current estimate of 1,279,950 reflects a roughly 13% increase in population as of 2009. Palm Beach County experienced the first reported negative-growth year in decades in 2009 reflecting a -0.7% decline; however as of mid 2010 population levels are showing slight gains again. This information was supplied by the Florida Legislature, Office of Economic and Demographic Research. Over the long term, population will remain relatively stable and will continue to increase, as it remains a popular destination for all age groups.

We have rounded some figures for reporting purposes.



The following chart shows population changes for Palm Beach and neighboring counties from 2000 to 2009.

County	2000 Population	2009 Population	% Increase
Palm Beach	1,131,190	1,279,950	13%
Broward	1,623,016	1,766,476	9%
Miami-Dade	2,253,786	2,500,625	11%

The 2009 population estimate for Palm Beach County indicates that, on average, 1,377+ new residents were attracted to Palm Beach County every month during the last 9 years.

According to the Florida Legislature, Office of Economic and Demographic Research Palm Beach County population is expected to increase approximately 4.7% between 2010 and 2015 which is lower than the 6.2% projected growth rate of Florida over the same period. Palm Beach County is the 3rd most populated county in the State of Florida with 6.9% of the overall population.

Palm Beach County is composed of 38 municipalities, as well as unincorporated areas. The municipalities within Palm Beach County are listed below.

Palm Beach County Municipality List		
City of Atlantis	Town of Highland Beach	Town of Ocean Ridge
City of Belle Glade	Town of Hypoluxo	City of Pahokee
City of Boca Raton	Town of Juno Beach	Town of Palm Beach
City of Boynton Beach	Town of Jupiter	City of Palm Beach Gardens
Town of Briny Breezes	Town of Jupiter Inlet Colony	Town of Palm Beach Shores
Town of Cloud Lake	Town of Lake Clarke Shores	Village of Palm Springs
City of Delray Beach	Town of Lake Park	City of Riviera Beach
Town of Glen Ridge	City of Lake Worth	Village of Royal Palm Beach
Village of Golf	Town of Lantana	City of South Bay
City of Greenacres	Town of Loxahatchee Groves	Town of South Palm Beach
Town of Gulfstream	Town of Manalapan	Village of Tequesta
Town of Haverhill	Town of Mangonia Park	Village of Wellington
	Village of North Palm Beach	City of West Palm Beach

While little room for further growth, other than infill, remaining along the coastal sections, significant westward growth has occurred over the last 15 to 20 years. Communities to the west, such as Wellington, Royal Palm Beach and the Acreage, have grown rapidly in the last 10 years, however based on current economic conditions, new construction has stopped. Because of this growth, the area's first



regional mall opened in 2001. This is the county's first regional mall in over a decade. The Mall at Wellington Green is a 1.3 million square foot regional mall anchored by Macy's, Dillard's and JCPenney, along with a potential of 120 specialty shops. Phase I opened in 2001. Phase II opened throughout 2003, and features 20 additional specialty stores and a Nordstrom department store that opened in the 4th Quarter 2003.

The City of West Palm Beach is the county seat and the largest municipality with an estimated population of 103,663 as of 2008. This is the most recent data available. The table on the following page lists the county's largest municipalities, showing their current population, recent growth and location within the county:

Municipalities - Population & Growth

<u>Municipality</u>	<u>Region</u>	<u>Population</u>		<u>Total Change</u>	<u>% Change</u>
		<u>2008</u>	<u>2000</u>		
Jupiter	Northeast	49,783	39,328	10,455	26.6%
Palm Beach Gardens	Northeast	50,282	35,058	15,224	43.4%
North Palm Beach	Northeast	12,530	12,064	466	3.9%
Riviera Beach	Northeast	35,150	29,884	5,266	17.6%
Palm Beach	East-Central	9,797	9,676	121	1.3%
West Palm Beach	East-Central	103,663	82,103	21,560	26.3%
Lake Worth	East-Central	36,725	35,133	1,592	4.5%
Royal Palm Beach	Central	31,567	21,523	10,044	46.7%
Loxahatchee Groves	Central	3,232			
Greenacres	Central	32,548	27,569	4,979	18.1%
Wellington	Central	55,076	38,216	16,860	44.1%
Boynton Beach	Southeast	85,293	60,389	24,904	41.2%
Delray Beach	Southeast	64,220	60,020	4,200	7.0%
Boca Raton	Southeast	85,293	74,764	10,529	14.1%
Belle Glade	West	17,141	14,906	2,235	15.0%

Historically, the fastest growing unincorporated areas have been in the region west of Boca Raton and west of Boynton Beach. The West Boca area is essentially built-out and has a population well in excess of 100,000. The West Boynton market had been the fastest growing area in the county during the later part of the 1990s; however it too is approaching build-out. As can be seen from the above data, the western communities of Royal Palm Beach and Wellington have been the fastest growing municipalities over the last five years, with Palm Beach Gardens following closely. There has been a significant amount of commercial/retail growth in Palm Beach Gardens along PGA Boulevard within the last few years, however recently this trend have slowed significantly based on the nationwide economic downturn, which has affected new construction in Palm Beach County.



Economy

Palm Beach County's economy is driven by agriculture, tourism, manufacturing, construction, and the constant migration of retired persons into the county. The table below charts the categories and the changes.

EMPLOYMENT DISTRIBUTION CHANGES

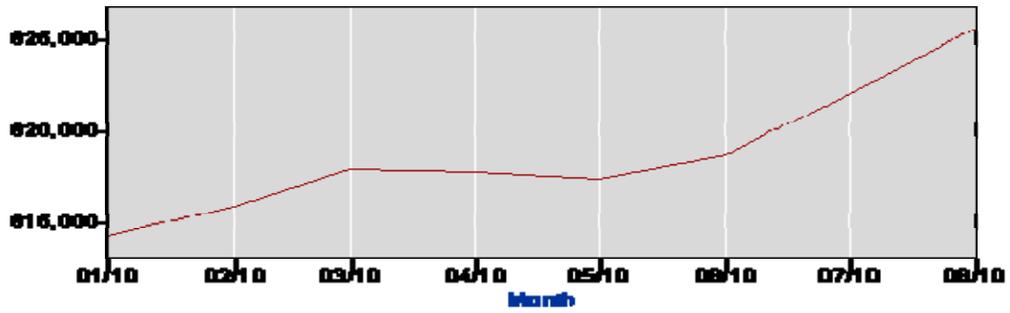
Employment Category	July-10	July-09	% Change
Total Non-Farm	490,900	490,900	0.00%
Construction & Mining	22,600	27,494	-17.80%
Manufacturing	15,900	15,900	0.00%
Trade, Transportation, & Utilities	97,300	95,670	1.70%
Information	8,900	9,498	-6.30%
Financial Activities	33,200	34,510	-3.80%
Professional & Business Services	82,500	81,280	1.50%
Educational & Health Services	81,200	78,990	2.80%
Leisure & Hospitality	65,100	64,330	1.20%
Other Services	22,500	22,410	0.40%
Government	61,600	60,570	1.70%

Source: Bureau of Labor Statistics, Current Labor Statistics (in cooperation with the U.S. Department of Labor)

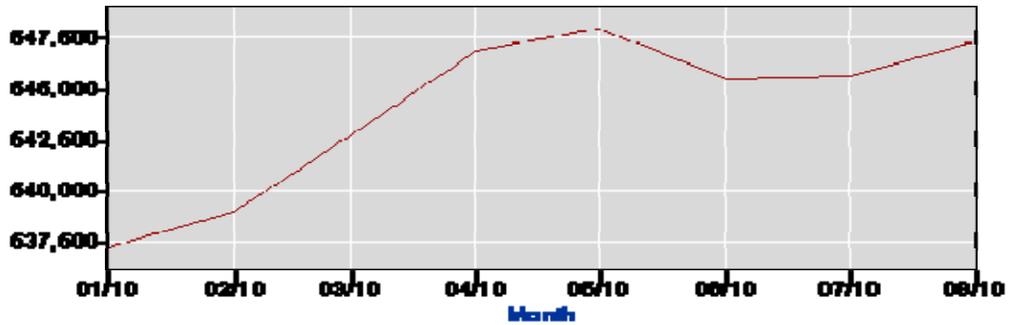
As of July 2010, Palm Beach County had an average unemployment rate (not seasonally adjusted) of 12.3% as compared to the July 2009 rate of 11.3%. In southeast Florida, unemployment typically peaks in the third quarter of the year and declines to its lowest level in the first quarter, due to seasonal increases in population and tourism. Based on the economic downturn and virtual halt of new construction in Palm Beach County, the unemployment rate has increased significantly. The construction industry alone has experienced a double digit decline in employment. In general, it is our opinion that the combination of a weakened economy coupled with slowed tourism and a weak construction labor force indicates the fundamentals of an economic slowdown which will affect employment growth for Palm Beach County for an undetermined amount of time. Listed on the following pages are charts addressing labor force, employment, unemployment and the unemployment rate for as of August (preliminary) for 2010 with a subsequent table will follow. This is the most updated charts and tables available, per the Bureau of Labor Statistics.



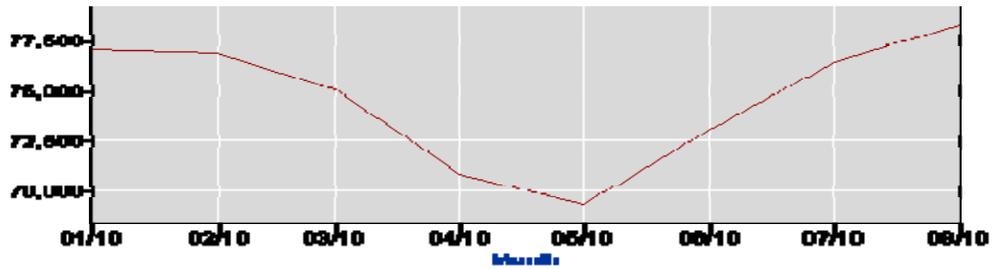
labor force



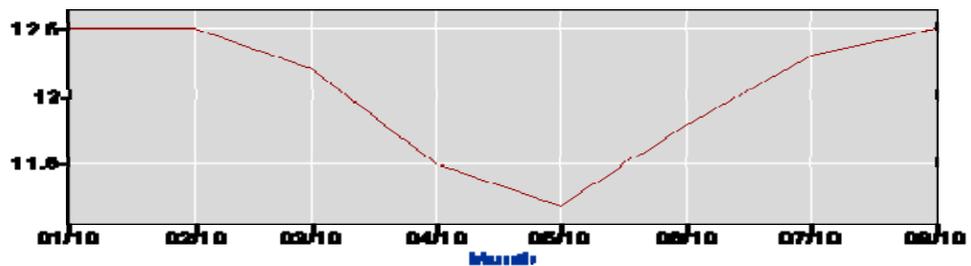
employment



unemployment



unemployment rate





PART II – FACTUAL DATA

Based on the charts listed on the previous page, we have included the most recent unemployment figures reported in the table below.

Year	Period	labor force	employment	unemployment	unemployment rate
2010	Jan	614217	537174	77043	12.5
2010	Feb	615825	538989	76836	12.5
2010	Mar	617868	542758	75110	12.2
2010	Apr	617707	546825	70882	11.5
2010	May	617325	547998	69327	11.2
2010	Jun	618642	545550	73092	11.8
2010	Jul	622092	545646	76446	12.3
2010	Aug	625582(P)	547295(P)	78287(P)	12.5(P)

P : Preliminary.

The table below details per capita income for Palm Beach, Broward and Miami-Dade counties for the years 2006 through 2008. This is the most recent data available.

<u>PER CAPITA INCOME</u>			
County	2006	2007	2008
Palm Beach	\$55,812	\$59,147	\$58,358
Broward	\$39,511	\$41,169	\$41,974
Miami-Dade	\$34,708	\$36,081	\$35,887

Source: U.S. Dept. of Commerce, Bureau of Economic Analysis

It should also be noted that Palm Beach County has the highest per capita income in the State of Florida based on the 2008 figures.

Residential construction activity has stopped except for projects that were already underway. In the past, Palm Beach County had a strong home building market that grew swiftly. The chart on the following page illustrates new housing units authorized by building permits in Palm Beach County for the years 2000-2010 (as of June). Palm Beach County experienced a rise in total building activity between 2001 and 2003 due to the significant increase in both multi-family and single-family units. As can be seen, the county has experienced a gradual decline in total building activity starting in 2004 and continuing into 2009. There has been a sharp decline starting in 2007 in both the single family and multiple-family units. In our opinion, the data suggests that the housing industry has been in a state of decline and has a significant oversupply of existing homes on the market and new housing construction virtually at a standstill. Economic uncertainty and overbuilding appear to have put a damper on the industry.



PART II – FACTUAL DATA

Year	Single Family Units	Multiple Family Units	Total
2000	6,728	3,680	10,408
2001	7,685	3,606	11,291
2002	9,620	3,657	13,277
2003	10,788	4,344	15,132
2004	10,128	4,578	14,706
2005	9,535	4,653	14,188
2006	4,426	3,911	8,337
2007	2,033	905	2,938
2008	1,202	592	1,794
2009	1,102	165	1,267
2009 (thru June)	471	121	592
2010 (thru June)	664	133	797
Percentage change			
2008 vs. 2007	-40.9%	-34.6%	-38.9%
2009 vs. 2008	-8.3%	-72.1%	-29.4%
2010 vs. 2009	+41.0%	+9.9%	+34.6%

Source: Reinhold P. Wolff Economic Research, Inc. 2010

A comparison of the 2009 data to 2010 data shows a 34.6% increase in building permit activity between 2009 and 2010. This is the first gain in activity that has been experienced in many years as building has declined drastically since the peak in 2003. Housing has long been an important component of the Palm Beach County economy. In our opinion, the data suggests that the housing industry is in decline with a significant oversupply of existing homes on the market and new housing construction has slowed significantly. Even though permit activity has shown an increase year over year between 2009 and 2010, it is not significant in terms of actual permits issued. Furthermore in recent years there have been less than 2,000 permits issued per year, which is a far cry from the boom years of up to 15,000 permits issued.

There has been concern about the affordability of the county's housing stock as it relates to lower income workers ability to live in the county. In April 2006, the County initiated a new program entitled "Interim Workforce Housing Program". The goal of the program is to serve the housing needs of people employed in the jobs that the general population of the community relies upon to make the community viable. It applies to all new residential developments of 10 units or more, and calls for 7% of the units attributable to standard density to be considered as "workforce". If a Planned Unit Development is sought, then 25% of the applicable units are to be "workforce".



The Business Development Board (BDB) of Palm Beach County has successfully worked to attract new industries to Palm Beach County. Through its efforts, the Board of County Commissioners has approved a Job Growth Incentive Fund to support relocating and expanding companies. Since 1993, more than 225 company relocations and expansions assisted by the Business Development Board resulted in the creation of over 22,000 jobs and added in excess of \$4 billion to the Palm Beach County economy. The charts below indicate the top 10 employers in the goods producing and service producing industries in Palm Beach County:

Leading Service Producing Employers

<u>Rank</u>	<u>Company</u>	<u>Employees</u>	<u>Product</u>	<u>City</u>
1	PBCo School Board	21,707	Education	Countywide
2	Palm Beach County	11,319	Government	Countywide
3	Tenet Healthcare	4,500	Healthcare	Countywide
4	Hospital Corp. of America	3,411	Healthcare	Countywide
5	FPL	3,250	Utilities	Countywide
6	Florida Atlantic University	2,923	Education	Countywide
7	The Breakers	2,300	Hotel	Palm Beach
8	Office Depot (Headqtrs)	2,180	Office Supplies	Boca Raton
9	Boca Raton Comm Hospital	1,860	Health Care	Boca Raton
10	Boca Raton Resort and Club	1,650	Hotel	Boca Raton

Leading Goods Producing Employers

<u>Rank</u>	<u>Company</u>	<u>Employees</u>	<u>Product</u>	<u>City</u>
1	U.S. Sugar Corporation	2,100	Agriculture	Belle Glade
2	Florida Crystals	2,000	Agriculture	West Palm Beach
3	A. Duda & Sons Growers	1,500	Agriculture	Belle Glade
4	Palm Beach Newspapers	1,275	Newspaper Publishing	West Palm Beach
5	Hollander Home Fashions	1,200	Home Furnishings	Boca Raton
6	Southland Forming	1,200	Concrete Contractors	West Palm Beach
7	Thomas Produce	1,000	Agriculture	Belle Glade
8	Pratt & Whitney Rocketdyne	850	Aerospace Engineering	West Palm Beach
9	Cheney Brothers	782	Food Distribution	Riviera Beach
10	Simplex Grinnell	698	Security System Mftg	Jupiter

Scripps Research Institute

In 2003, it was announced that the Scripps Research Institute (SRI) planned on developing a research and development facility in Palm Beach County. The site consists of 30 acres of land within FAU's Abacoa campus and 70 acres on the 681-acre Briger parcel. FAU donated the 30 acres on their campus; along with the owner of the Briger tract donated 30 acres of their site; and the County purchased an additional 40 acres from the Briger tract for \$16 million. The Town of Jupiter and the City of Palm Beach Gardens each offered \$3 million. Jupiter agreed to help develop Phase I and Palm Beach Gardens agreed to help develop Phase II.



Scripps Florida Biotechnology Research Institute constructed three buildings on FAU's campus which were completed in 2008. The campus contains 364,000 square feet. Scripps Florida currently employs 300 employees.

Briger Tract

The Briger Tract is a 681-acre tract of vacant land located along both sides of Interstate 95 between Donald Ross and Hood Roads. The Briger Tract received preliminary approvals in 2010 by the City of Palm Beach Gardens for a master planned mixed-use development. The 20-year plan calls for transforming about 1-square-mile of vacant land to include 170 acres for Scripps Research Institute (Scripps Florida Phase II) and other biotech companies.

The proposed development will include 1,600,000 square feet of Biotech Research and Development for the second phase of Scripps Florida, 2,400,000 square feet of related biotechnological/biomedical, pharmaceutical, ancillary office space and other related uses. The rest of the 681-acre property is slated for retail, a 300-room hotel and about 2,700 homes, townhouses and apartments.

The Scripps Florida Phase II/Briger Tract DRI is another landmark in the process which began when Governor Jeb Bush signed legislation creating the Scripps Florida Funding Corporation. This step allowed the Scripps Research Institute to locate its Florida operations to the Jupiter/Palm Beach Gardens area of Palm Beach County. The first phase of Scripps Florida was completed in 2008 and is located on the north side of Donald Ross Road adjacent to the Briger Tract.

Biotech Developments

The Max Planck facility on the Florida Atlantic University campus will create 1,824 jobs and \$2.4 billion in labor compensation over a 20-year period, and generate \$5.3 billion in gross state product over the same period, according to Governor Crist. Most recently, the Max Planck Florida Institute is scheduled to begin construction soon on a 100,000 square foot high-tech laboratory adjacent to the Scripps facility which will establish the region (southeast Florida and the Treasure Coast) as a research hub. The Max Planck Society for the Advancement of Science is a Munich-based, internationally renowned non-profit research organization that is expected to eventually create more than 1,800 jobs in the community.

The state funding comes as a match to nearly \$93 million pledged by Palm Beach County to help Planck establish a research facility in Jupiter, where it will continue work on bio-imaging and high resolution microscopy. The Munich-based society has more than 75 institutes and three additional research facilities worldwide employing more than 12,000 employees, and 10,000 junior scientists and guest scientists. It is one of the world's leading groups focusing on basic research.



Additionally, Scripps has attracted a few smaller life science research facilities' such as Oxbow and Sky Esi River, which are located in West Palm Beach. Each employs approximately 200 employees.

Digital Domain

The downtown West Palm Beach site known as the former "tent site" on the corner of Okeechobee Boulevard and Dixie Highway could be developed, if the City of West Palm and Digital Domain studios can agree on terms that would bring a digital animation school — in conjunction with FSU's film school — to West Palm. The terms call for the city to donate the coveted site to Digital Domain, with the CRA providing a \$10 million cash grant as well as \$15 million in bonds to help fund the Florida State University (FSU) portion of the school.

The total project, which will be developed in two different phases, could cost Digital Domain more than \$100 million. The initial phase, which will include two schools and a smaller-scaled version of Digital Domain's animation school currently being built in Port St. Lucie, would cost about \$50 million to develop. The city's incentives would cut that amount in half for Digital Domain.

According to John Textor, owner of Digital Domain, the school will ultimately teach 1,000-to-3,000 students the ins and outs of digital animation. Digital Domain has created the computer graphics for movies such as *The Curious Case of Benjamin Button*, *Star Trek* (2009) and *Transformers*. An economic study done said the project would generate 623 million dollars and create more than 13-thousand jobs over a 15-year period, including bringing other affiliated companies and spinoff companies to the area. This project is in the initial planning stages at this time.

Agriculture

According to the United States Department of Agriculture's "2002 Census of Agriculture" (the most recent available), Palm Beach County is the largest agricultural producing county in Florida, with approximately 27% of the county's total land mass in agricultural production. This is down 12% from the "1997 Census of Agriculture", and reflects the residential and commercial growth in the western areas. Palm Beach County is also the eighth largest county in the nation in terms of value of its crops, representing \$2+ billion in economic impact to the county's economy and encompassing approximately 39% of the total land in the county, commercial agriculture is one of our major core industries and employer.

Palm Beach County is the leading county in the United States in sugar production. U.S. Sugar has inked a deal with the State of Florida to sell 72,800 acres of its' land holdings in Palm Beach and neighboring Hendry counties. Also the State of Florida has an option built in to the deal to purchase the remaining land holdings over the next 10 years which consists of 107,500 acres along with the production facilities, which would essentially shut down production for US Sugar. This will have a big impact on the agriculture industry, especially in the western Palm Beach County



communities of Belle Glade, Pahokee and South Bay. Florida as the number one producer of bell peppers, cucumbers, eggplant, herbs and Chinese vegetables. Other crops grown include tomatoes, squash, specialty peppers and beans. Lastly, the county ranks second in the nation for sweet corn production.

Tourism

In 1894, Henry Morrison Flagler extended his railroad to Palm Beach and opened the Royal Poinciana Hotel, beginning Palm Beach County's fame as a vacation area. Its balmy breezes, subtropical climate, and 45+/- miles of ocean beaches, pristine and unique native environment, the second largest freshwater lake in the nation (Lake Okeechobee), 160+/- golf courses, more than 1,100 tennis courts, over 30 marinas, and 230 hotels are only a portion of what Palm Beach County has to offer, making it one of the nation's top tourist destinations.

Palm Beach County is internationally known as a golfing center and has been called the "Golf Capital of the World." The county has 164+/- golf courses, more than any other county in the United States. It houses the headquarters of the Professional Golfers Association in Palm Beach Gardens and as noted earlier, Golf Digest Magazine will also establish its national golf training headquarters at the Mirasol planned development.

Palm Beach County is home to the Winter Equestrian Festival which is held in the western community of Wellington for 12 weeks each year. This festival has operated in Palm Beach County for nearly three decades. The Village of Wellington has numerous equestrian facilities, which include Palm Beach Polo, Palm Beach International Center and numerous other equestrian facilities, which collectively have 2,600 stalls. The equestrian industry has an estimated economic impact of \$553 million dollars.

The Convention & Visitors Bureau (CVB) promotes county tourism via a bed tax on hotel rooms. The CVB reports revenue based on their fiscal year, which is October through September and these are the figures being reported. A comparison of bed taxes for the time period of FY 08/09 to FY 09/10 revealed a 17% increase in bed tax revenue. Based on the national economic crisis being experienced, tourism took a major hit in 2009, however based on an aggressive advertising campaign and lower average daily rates, tourism appears to be rebounding. According to Roger Amidon executive director of the Palm Beach County Tourist Development Council Palm Beach is leading all other Florida counties in the rate of occupancy growth. But, the flip side of that, he noted, is that the county was hurt so badly by the recession last year. "We've had a better comeback than the other counties," he said. "We were the furthest to fall." The average daily rate (ADR) in FY 09/10 was \$130.21 down 4.3% from the previous fiscal year. The average occupancy rate was 65.4% which was 10.9% higher than FY 08/09.



Transportation

Major highways form a grid system across the developed eastern quarter of Palm Beach County. Florida's Turnpike, Interstate 95 (I-95), State Road A-1-A, U.S. Highway 441, and U.S. Highway 1 are the major north/south roads in the county, all providing access to locations beyond the local area. I-95 is the primary north/south thoroughfare through eastern Palm Beach County and extends its entire distance. Over the last few years, several widening projects have been completed over sections of I-95. Further, construction on various sections of I-95 is occurring and is expected to continue for the next 5 to 10 years.

Florida's Turnpike runs parallel and to the west of I-95 and provides north/south access to points west of the immediate coastal areas. The Turnpike provides high speed access to points between Wildwood and Homestead, with Palm Beach County interchanges in Jupiter, Palm Beach Gardens, the Beeline Highway, West Palm Beach, Southern Boulevard, Lake Worth, Boynton Beach, Delray Beach, and Boca Raton. A new interchange at Jog Road was recently completed.

Numerous east/west roads connect the coastal area to the western portions of the county although currently there are no east/west limited access roads. This is expected to change within the next five to seven years. Southern Boulevard (State Road 80) is the primary traffic artery linking the coastal cities with the "Glades" area in western Palm Beach County and the west coast of Florida. It is primarily a four-lane thoroughfare that extends westerly from the Town of Palm Beach to the "Glades" area of western Palm Beach County. It has an interchange at I-95. The \$300 million expansion of Southern Boulevard from Interstate 95 to Forest Hill Boulevard was completed in the 3rd quarter of 2008. The Southern Boulevard project included five highway-style interchanges at Australian Avenue, Military Trail, Haverhill Road, Jog Road and State Road 7. Work on the county's first east-west expressway started in 2000 at Australian Avenue and took 8 years to complete.

Rail freight traffic is handled by two systems, the Florida East Coast Railway and the CSX Railroad. Passenger service is available via Amtrak from Miami north to Orlando, Jacksonville, and the remainder of Amtrak's USA rail network.

South Florida's commuter rail system, Tri-Rail, began service in January 1989. The system runs between West Palm Beach and northern Miami-Dade County, where commuters can connect to Miami-Dade County's Metrorail. Each county along the route provides free bus service between the fifteen stops and various employment and shopping districts. Tri-Rail was designed as an alternative to I-95 during its widening project and beyond.



Public bus transportation is operated by the county and recently expanded throughout the county with more routes and more frequent service. Public transportation has not caught on in south Florida, as its buses and trains typically operate at less than capacity. This is changing however, as delays due to construction on I-95 appear and rising gas prices have had a major positive impact on public transportation. Tri-Rail services Palm Beach, Broward and Miami-Dade counties.

Palm Beach International Airport (PBIA) serves the commercial aviation needs of the county and offers 17+/- different airlines, including commercial and charter. The airport revenue is self-generating and does not rely on county tax dollars. There are five smaller airports in the county located at Boca Raton, Lantana, North County (northwest of Palm Beach Gardens), Pahokee and Belle Glade. The North County facility was completed in 1994 to ease the small plane congestion at PBIA. Boca Raton was upgraded and expanded in the early 1990s and can handle large corporate jets.

The Port of Palm Beach in Riviera Beach is the fourth busiest container port in Florida and is the main export point for sugar and other agricultural products. It is also home to Palm Beach County's foreign trade zone. The Port is a self-sufficient entity that has not had to rely on taxes. It is the number one exporter of raw sugar in the United States. In addition to cargo, the port is home to the Palm Beach Princess, which is a "cruise to nowhere" gambling ship.

The Port of Palm Beach completed construction of its Skypass project, the elevating of U.S. Highway 1 over Port Road. This allows rail and truck traffic unrestricted access into the Port and links the Port's 65-acre wharf area in the east with 100 acres of support industries in the west. The Port plans to increase dock space by adding an additional slip of 1,500 linear feet to handle vessel traffic. In addition, the Port's \$40 million cruise terminal/marine office complex and parking garage was completed in early 2002.

Services

Medical facilities are adequate throughout the county, with special units at many hospitals. A number of hospitals have or are constructing satellite medical facilities in growing areas such as west Boynton Beach and the Acreage.

Palm Beach Regional Hospital in Lake Worth and JFK Medical Center in Atlantis merged in 1995 and the former closed. Columbia Hospital in West Palm Beach and JFK Hospital have undergone, and continue to undergo major expansions. Other major hospitals include Jupiter Medical Center, Palm Beach Gardens Medical Center, Boca Raton Community Hospital, Wellington Regional Medical Center, Palms West Hospital, also in Wellington, and the VA Hospital in Riviera Beach.



The Palm Beach County school system provides public education through the 12th grade. Public junior college education is available at Palm Beach State College, a two-year school located in Lake Worth with branch campuses in Palm Beach Gardens, Boca Raton, and Belle Glade. The PBSC main location in Lake Worth recently completed a \$12.8 million dollar expansion project.

Bachelor's degrees and graduate studies are offered at Florida Atlantic University (FAU), Palm Beach Atlantic College, Lynn University, Northwood University and a branch of Barry University. FAU, the largest of these schools, is a state institution located in Boca Raton, with auxiliary campuses in northern Palm Beach, Broward and St. Lucie Counties. FAU has an honors college campus on a 135-acre site in the Abacoa development in Jupiter.

Conclusion

Palm Beach County's population in the long term will continue to increase primarily due to the county's climate and the propensity of northerners to relocate in Florida. The current economic slowdown is definitely impacting Palm Beach County in terms of new construction, local economic conditions, unemployment rate and tourism, however this is a temporary problem. The county will again experience positive growth when the economy rebounds. As population grows, more supporting commercial, service and industrial development will be required.

In general, property values, rents, and occupancy rates have increased substantially over the last several years, however recently has been in a correction phase. Supply had been increasing in most areas (housing, retail, office and industrial) over the last several years. The local housing market has seen a skyrocketing inventory of existing homes flood the market within the last 2 years. This can be attributed to the rate resetting for subprime mortgages and in turn the upward drive of home loan defaults. This is a country-wide problem; however Palm Beach County is experiencing more loan defaults and foreclosures because of the double-digit appreciation in property values seen in 2003 and 2004.

The retail, office and industrial real estate markets seem to be faltering at this time as well with vacancy rates on the rise across the board.

The economy's expansion combined with population growth during late 1990s and early 2000s has resulted in favorable absorption of commercial space. Consequently, an increase in new construction occurred and is still probable over the next several years, particularly in the north county area where the majority of vacant land exists.



Continued growth, fueled by “in-migration,” appears to be in Palm Beach County’s future. Steadily growing demand combined with a finite supply of developable land creates a positive environment for real estate over the long term. In the short run, some weakness could be experienced, particularly in markets with an abundance of new supply. Palm Beach County’s growth prospects are relatively stable over the long haul and the general atmosphere is one of optimism for Palm Beach County. The one drawback to this growth has been congestion. Traffic congestion seems inevitable in this area. However, its other attributes should ensure its status as one of the most desirable places to live, work and play in the United States.

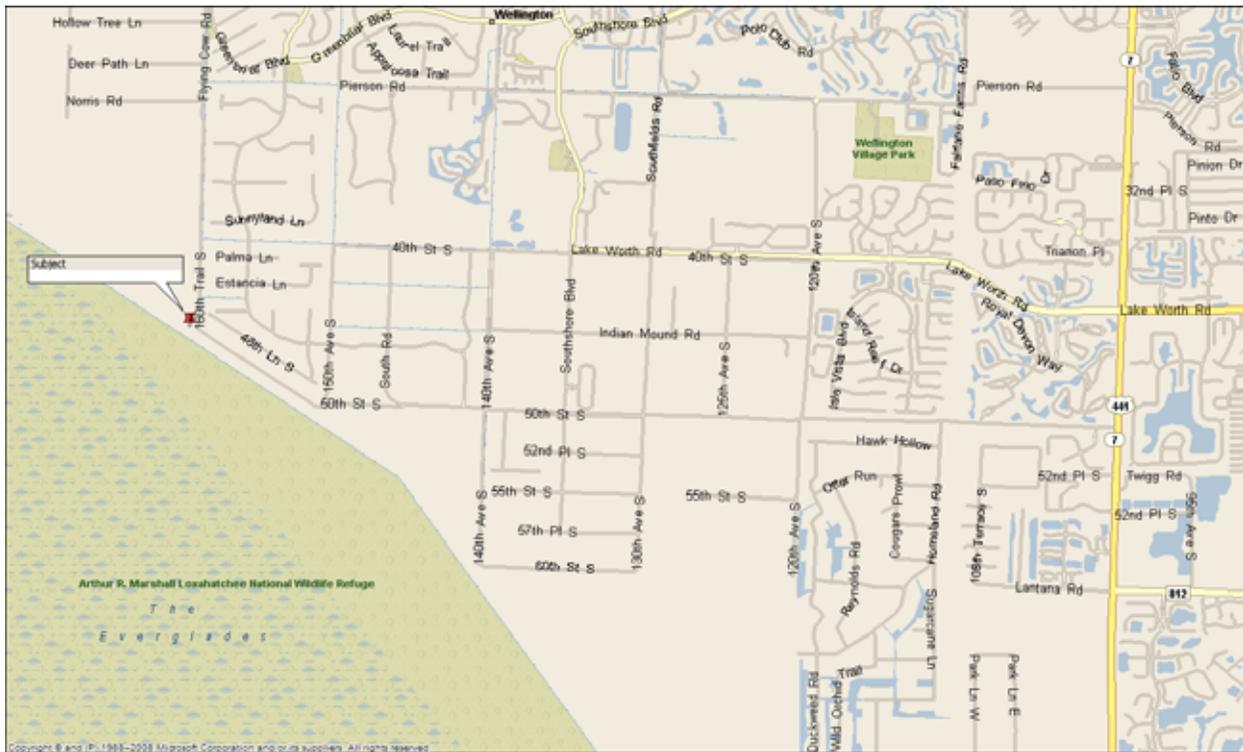


NEIGHBORHOOD DATA

Preface

The relationship of the Subject Property with surrounding properties forms the basis of neighborhood analysis. The Appraisal of Real Estate, 13th Edition 2008, states: Social, economic, governmental, and environmental forces influence property values in the vicinity of a subject property. As a result, they affect the value of that property. Although physical boundaries may be drawn, the most important boundaries are those that identify factors influencing property values. The area of influence, commonly called a neighborhood, can be defined as a group of complementary land uses.

Neighborhood Map



The Subject neighborhood is considered to include the southern portion of the Village of Wellington lying south of Pierson Road. Most of the development in the Subject neighborhood is directly related to equestrian activities. The eastern portion is influenced by the polo grounds and the western portion by horse show facility.

Access to the neighborhood is provided by South Shore Boulevard, Pierson Road, Lake Worth Road and 50th Street South. All of these roads provide access to State Road 7 (US Highway 441), which is the primary north/south commuter route in the area.



The Subject neighborhood is designated to be developed at a much lower density than the northern portion of the Village of Wellington. The minimum lot sizes range from 5 to 10 acres.

The western portion of the neighborhood has been developed for many years with Palm Beach Point. This 5-acre lot subdivision is less influenced by equestrian activities and is developed mostly with single family homes. The eastern portion of the neighborhood is nearly fully developed with polo related improvements.

The central portion of the neighborhood is most influenced by the Palm Beach International Equestrian Centre horse show facility. The subdivision most affected is Grand Prix Farms, which is a gated project located adjacent to and west of the Equestrian Club. Grand Prix Farms is nearly fully developed with very high quality improvements. The primary appeal is that horse show participants can ride their horses directly to and from the competition. An existing subdivision located just south of the Equestrian Club and adjacent to the Subject Property is Palm Beach Point East. The market for vacant lots in this area was active when the market was strong with per acre prices higher than Palm Beach Point but significantly lower than Grand Prix Village. The horse show influence diminishes for the properties lying south of Palm Beach Point East.

The real estate market in the Subject's area has declined significantly since 2006 and all types of development has ceased. The sales used in the following Land Value Analysis indicate that land values in the immediate area of the Subject declined by from 40% to 60% from the peak of the market in 2007 to late 2009. The market appears to have stabilized in late 2010 (or to be stabilizing). The Subject Property is part of the South Florida Water Management Districts Water Conservation Area. It is located at the extreme southwest corner of the Village of Wellington and on the eastern edge of the Loxahatchee National Wildlife Refuge.

Conclusion

The Subject neighborhood is an established equestrian related area of the Village of Wellington. As with most areas of South Florida, new development has ceased along with the demand for vacant land. Land values appear to have stabilized in late 2010. We expect this trend to continue until the national economy and the real estate market improves, which could take several years.



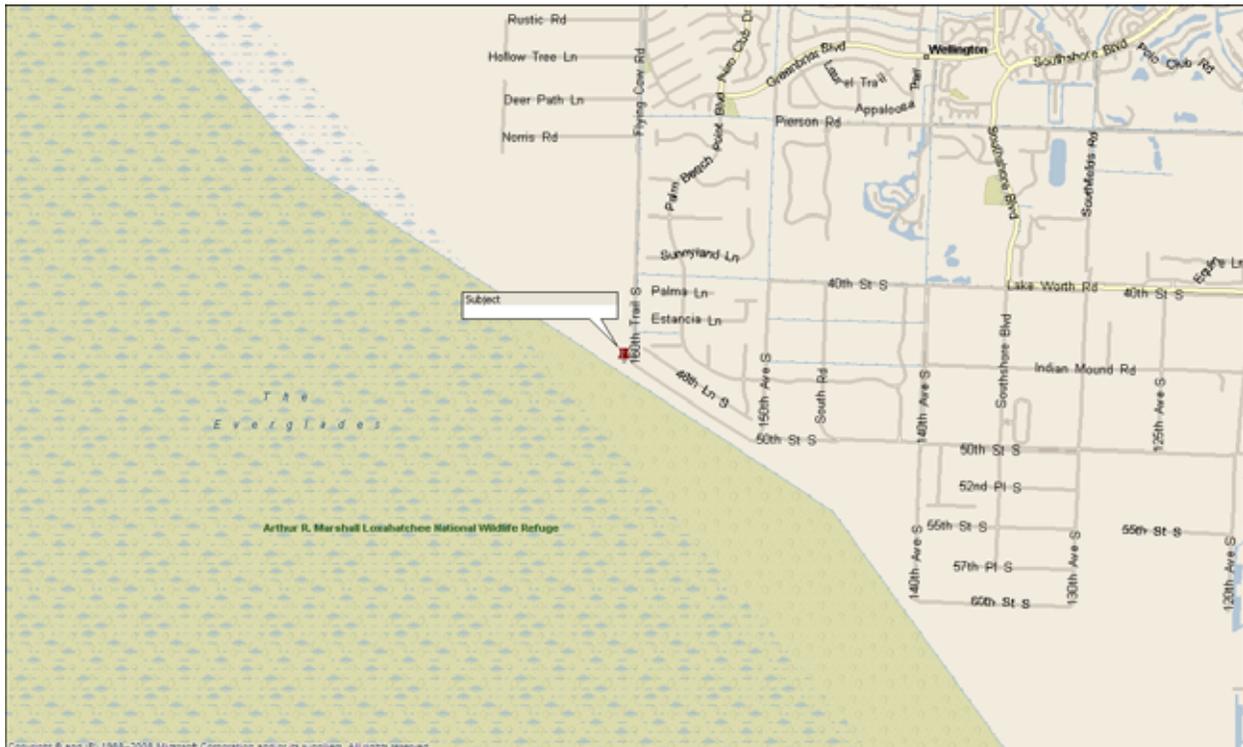
PROPERTY DATA - SITE

Property Owner and Address

The Subject Property is currently owned by the South Florida Water Management District. The owner’s address is 3301 Gun Club Road, West Palm Beach, Florida, 33406.

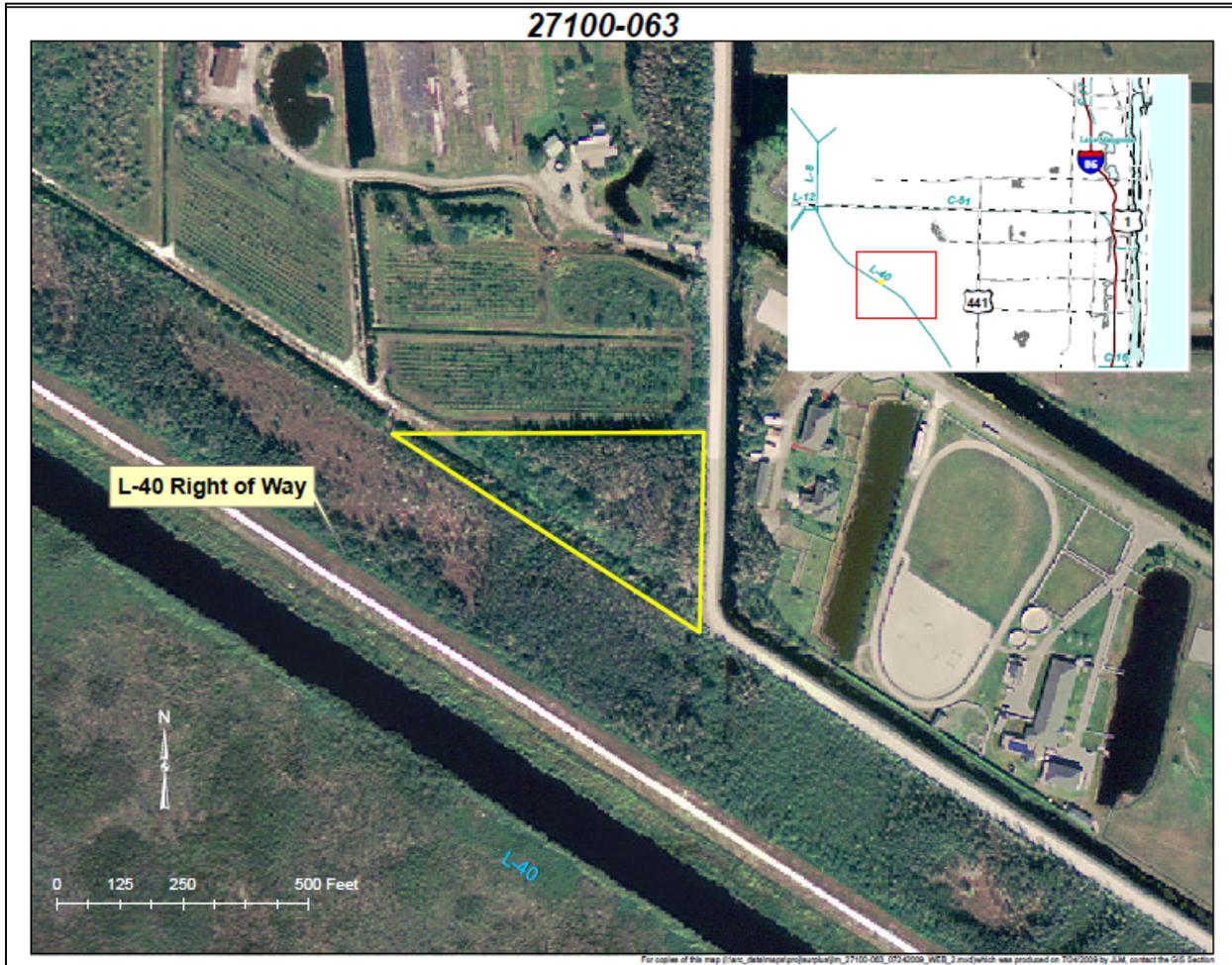
Location

The Subject Property is located along the west side of Flying Cow Ranch Road, at its south intersection with 160th Trail South and 4.7 miles south of Southern Boulevard (East S.R. 80), just west of the boundaries of the Village of Wellington, in unincorporated Palm Beach County, Florida. Located below is a location map for the reader’s convenience.



Site Size, Shape and Access

The Subject site is triangular in shape and contains a total of 2.85 acres. The east boundary of the Subject Property fronts the west side of Flying Cow Ranch Road. Access to the Subject Property is via Flying Cow Ranch Road and 160th Trail South. Located on the following page is an aerial map of the Subject Property, outlined in yellow lines (provided by the SFWMD).



Utilities

The Subject site has electric available from FPL and telephone available from ATT. Water and wastewater are typically provided from well and septic in this area.

Topography

The land is generally level, appears wet, and is below adjacent road grade. The site is overgrown with vegetation. According to the USDA Natural Resources Conservation Service and its National Cooperative Soil Survey, the site is made up of approximately 60% Okeelanta muck and 40% of Tequesta muck. This may present a problem for any potential development of the site with site improvements housing or farm/barn structures.



Flood Hazard Zone

The Subject Property lies within Flood Zone "D, AO", according to the Flood Insurance Rate Maps (Panel Number 120192 0100 B), prepared for the National Flood Insurance Program of the U.S. Department of Housing and Urban Development (HUD). Flood Zone "D" indicates areas in which flood hazards are undetermined. Flood Zone "AO" indicates special flood hazard areas inundated by 100-year flood; flood depths of 1 to 3 feet (usually sheet flow on sloping terrain); average depths determined. For areas of alluvial fan flooding, velocities also determined.

Zoning

The Subject Property is zoned AR, Agricultural Residential by Palm Beach County. This category allows a variety of agricultural uses and low density residential development at a density of one dwelling unit per 5 acres. The Subject is vacant and is overgrown with vegetation. It is muck land and is part of the water conservation area which abuts the Loxahatchee National Wildlife Refuge.

The potential legal (zoning and land use) issues which could limit any future development of the site are because of its AR, one unit per five acre zoning (the Subject is only 2.85 acres) and Con, Conservation future land use plan designation. It may still be allowed to be developed with one unit based on a variance allowing lots on these areas that are remnants or undersized to still be allowed to have one unit, but that is an issue that would have to be determined by a land planner with the appropriate zoning and land use agencies.

Land-Use Plan

According to the Palm Beach County Land-Use Plan the Subject Property is designated as CON, Conservation by the Palm Beach County Comprehensive Land Use Plan. This may be because it is owned by the South Florida Water Management District and they typically restrict their properties to preservation or conservation and the County may have done this with this parcel. The adjacent surrounding lands are all planned for (Res A, by the Village or Wellington) one unit per ten acres. The conservation underlying land use combined with the zoning would require the land to be utilized as environmentally sensitive lands and or open space with no development uses. This type use is promoted through zoning and land use in order to encourage development of the greenways and linked open space system throughout the county.

Concurrency

In 1985, the Florida Legislature enacted the Local Government Comprehensive Planning and Land Development Regional Act (Chapter 163, Part II, Florida Statutes), commonly referred to as "The Growth Management Act".



Pursuant to Section 163.3177(10)(h), F.S., "it is the intent of the Legislature that public facilities and services needed to support development shall be available concurrent with the impacts of such development." From this statement, the term "concurrency" was derived, and is commonly used to refer to the above act and its requirements.

The basis of the concurrency concept is Rule 9J-5.0055 of the Florida Administrative Code, which states that:

"To ensure that facilities and services needed to support development are available concurrent with the impacts of such development, a local government must adopt a concurrency management system. Prior to the issuance of a development order or development permit, the concurrency management system must ensure that the adopted level of service standards required for roads, potable water, sanitary sewer, solid waste, drainage, parks and recreation, and mass transit, if applicable, will be maintained."

The Subject site is vacant and unused thus there are no concurrency issues with the Subject Property. For any development or use the Subject would need full zoning, land use, and site plan approvals. This would require significant time and money expenditures and even then it is uncertain if this could be accomplished with the existing Conservation land use designation.

Easements and Deed Restrictions

We have not been provided a title search for the Subject Property. We are unaware of any easements or encumbrances located on the Subject Property that would have a negative effect on its Market Value.



PROPERTY DATA - IMPROVEMENTS

Land Improvements

The Subject Property consists of 2.85 acres of vacant land that does not appear to have ever been utilized and is in its native state and covered in vegetation. There are no building or site improvements.

Building Improvements

None.

PROPERTY DATA – FIXTURES

None Noted.

PROPERTY DATA - HISTORY

The current owner of the Subject Property is the South Florida Water Management District. The property has been under this ownership for the last five years. We are not aware of any contracts or listings on the Subject Property. We are not aware of any offers to buy the property. The SFWMD is considering selling the Subject Property as surplus or excess land. This is the reason for this appraisal.

PROPERTY DATA – ASSESSED VALUE & ANNUAL TAX LOAD

The total assessed value and taxes for the Subject Property are shown below. The Subject is owned by the government agency (the South Florida Water Management District) thus it is not taxed. The Subject is a 2.85 acre portion of the below mentioned parcel control number which contains 589.1671 acres (assessed at \$330.00 per acre).

2010 Taxes						
Subject Property Parcel Control Number	Land Value	Improvement Value	Market Value	Assessed Value	Total Taxes	
00-40-44-25-00-000-1010	\$194,426	\$0	\$194,426	\$194,426	\$0.00	
Totals	\$194,426	\$0	\$194,426	\$194,426	\$0.00	



ANALYSIS OF HIGHEST AND BEST USE

The Dictionary of Real Estate Appraisal, Fifth Edition 2010, by the Appraisal Institute defines Highest and Best Use on page 93 as follows:

"The reasonably probable and legal use of vacant land or an improved property, that 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 productivity."

To estimate the Highest and Best Use of the Subject, we have considered those uses which are legally permissible, physically possible, financially feasible, and maximally productive. Consideration was given to individual features of the land such as size, shape, location, access to roadways, and the availability of utilities. Consideration was also given to the surrounding land uses and the demand for property in the current real estate market.

Conclusion

It is our opinion that the Highest and Best Use of the Subject Property is for an agricultural type use. The reasons for this conclusion are as follows:

1. The Subject Property has a zoning classification of Agricultural Residential, with an underlying Conservation Future Land Use. This classification allows for an agricultural type use. The Agricultural Residential zoning use allows 1 unit per five acres. There is only 2.85 acres so it is questionable if a residential unit would be allowed on the site given its size. It is our opinion that there is no market for a home on the site at this time.
2. The Subject Property contains 2.85 acres and is triangular in shape. The topography of the site is generally level and below road grade. It appears wet and according to the soil survey is 60% Okeelanta muck and 40% Tequesta muck. This would make any use other than agricultural or conservation highly improbable due to the costs of fill drainage, and soil compaction. The site has frontage on the shell rock portion of Flying Cow Ranch Road at its intersection with the shell rock road 160th Trail South. Physically, the Subject Property is suitable for a limited number of uses, of which the most probable use is an agricultural type use.



3. Based on the Subject's zoning and land use classification, the only financially feasible use of the Subject Property at this time is for an agricultural use. Our survey of the market indicates no one is buying or developing home sites on the extreme outskirts of all other development, on muck land that requires significant compacting and fill. The equestrian ranchette market was strong in 2004-2006 and numerous large agricultural properties were divided into ranchette lots. Typical improvements were interior roadways, minimal amenities, and large-entry features. The real estate market in the Subject's area has declined significantly during the past few years and sales of equestrian ranchette lots and horse farms have slowed. The most recent sales activity indicates that vacant land prices declined drastically from 2006 to early 2008. The rate of decline diminished during late 2008 and early 2009. Land values appear to have stabilized to some degree in 2010. The recent market activity has involved purchases for agricultural related uses. We expect this trend to continue until the real estate market improves and this is not likely in the foreseeable future.

4. The maximally productive use of the Subject Property would be for an agricultural type use. Surrounding uses include primarily agricultural uses. Therefore, it is our opinion that the highest and best use of the Subject Property is for an agricultural type use. The most likely purchaser would be the adjacent land owner/user with an agricultural in-ground tree farm use.



LAND VALUE ANALYSIS

According to the 13th Edition of The Appraisal of Real Estate the valuation of land begins by identifying the real estate and property rights valued, any encumbrances, use restrictions, and the land's physical characteristics. An appraiser can use several techniques to obtain an indication of land value:

- Sales Comparison
- Market Extraction
- Allocation
- Land Residual Technique
- Ground Rent Capitalization
- Subdivision Development Analysis

Usually the most reliable way to estimate land value is by sales comparison. When few sales are available, however, or when the value indications produced through sales comparison need additional support, alternative techniques like extraction or allocation may be applied. In the case of the Subject Property the only approach used was the sales comparison approach.

Discussion of Vacant Land Sales

In order to estimate the value of the Subject site, a search was made for sales similar to the Subject. Our search was focused on agricultural properties within western Palm Beach County. We analyzed the Subject Property based on price per acre basis, as this is the most recognized unit of comparison in this market.

The Subject Property is unique and no exactly similar sales data was found. It is low lying and is muck land which will need to be compacted and filled in order to be used for a residence. It is triangular in shape and the comparables are square or rectangles. It is zoned AR (1 unit per 5 acres) and has a Conservation Future Land Use plan. It is located in the extreme west/southwest corner of any residential development on the edge of the Loxahatchee National Wildlife Refuge. The comparables are all superior in many aspects. We analyzed comparables in close proximity (just east in Wellington) but they five acre lots in a platted subdivision with paved roads in Wellington's Palm Beach Point Subdivision. They were vastly superior and all ranged in the \$70,000 to \$75,000 per acre. We then analyzed sales to the north off Flying Cow Ranch Road in the Rustic Ranches area of western Wellington. Again these sales are superior in most aspects but we found three good sales located nearby. The final data we analyzed was smaller lot sales in the Acreage area of unincorporated Palm Beach County west of Loxahatchee. These sales were also superior in most aspects but we found three good, recent, small site sales comparables. Details of each comparable along with a location map are located on the following pages. A sales chart and discussion follow.



Land Sale No. 1



Property Identification

Record ID	7772
Property Type	Agricultural/Residential, Acreage
Address	16243 E. Brighton Drive, Unincorporated, Palm Beach County, Florida
Location	N. side of E. Brighton Dr., E. of Seminole Pratt Whitney Rd.
Tax ID	00-40-43-25-00-000-1180
Legal Desc.	Lengthy metes and bounds
S/T/R	25/43/40

Sale Data

Grantor	Luis F. Garcia
Grantee	Alfred Foreman
Sale Date	May 14, 2011
Deed Book/Page	24539/0349
Property Rights	Full
Conditions of Sale	Market
Financing	Cash to seller with no effect
Sale History	None



PART III – DATA ANALYSIS & CONCLUSIONS

Land Sale No. 1 (Cont.)

Verification Confirmed by Rob Callaway

Sale Price \$50,000

Cash Equivalent \$50,000

Land Data

Zoning AR

Topography Flat

Shape Rectangle

Land Size Information

Gross Land Size 1.310 Acres or 57,064 SF

Front Footage E. Brighton Drive

Indicators

Sale Price/Gross Acre \$38,168

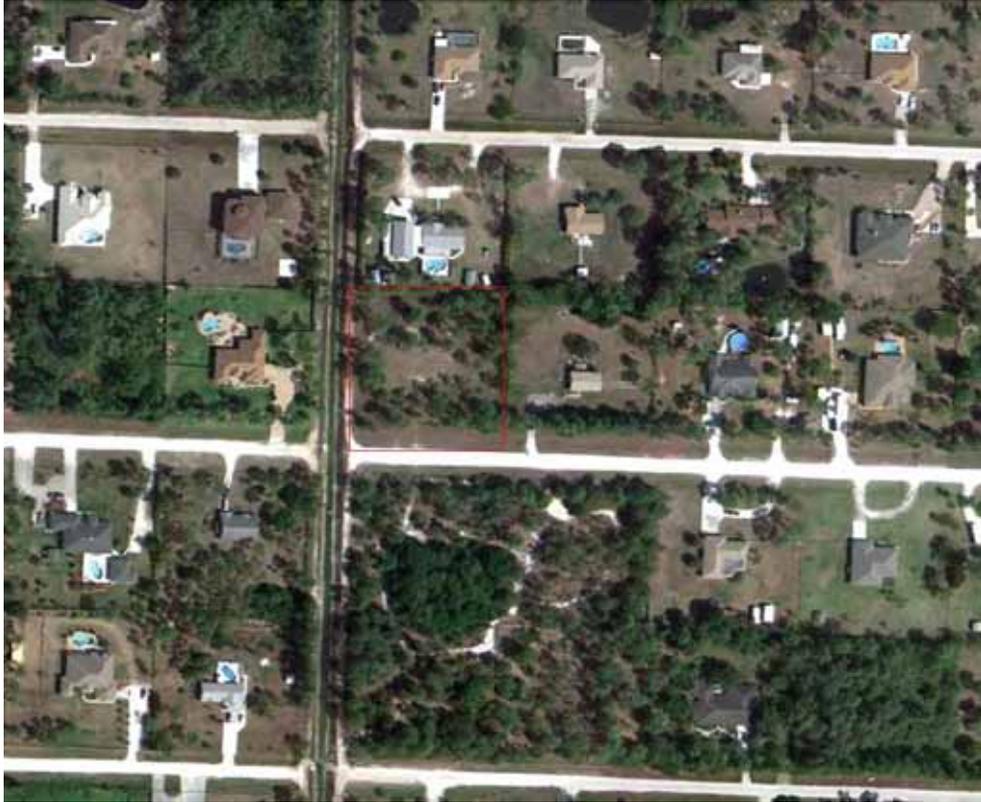
Sale Price/Gross SF \$0.88

Remarks

This is a lot in the Acreage.



Land Sale No. 2



Property Identification

Record ID	7773
Property Type	Agricultural/Residential, Acreage
Address	Orange Grove Boulevard, Unincorporated, Palm Beach County, Florida
Location	N. side of Orange Grove Blvd., west of Cheetham Hill Blvd.
Tax ID	00-40-43-11-00-000-2010
Legal Desc.	Lengthy metes and bounds
S/T/R	11/43/40

Sale Data

Grantor	George Combs & Lora Combs
Grantee	Richard Robalewski and Marcia Robalewski
Sale Date	March 22, 2011
Deed Book/Page	24423/1603
Property Rights	Full
Conditions of Sale	Market



PART III – DATA ANALYSIS & CONCLUSIONS

Land Sale No. 2 (Cont.)

Financing Cash to seller with no effect
Sale History None
Verification Confirmed by Rob Callaway

Sale Price \$36,000
Cash Equivalent \$36,000

Land Data

Zoning AR
Topography Flat
Shape Rectangle

Land Size Information

Gross Land Size 1.370 Acres or 59,678 SF
Front Footage Orange Grove Boulevard

Indicators

Sale Price/Gross Acre \$26,277
Sale Price/Gross SF \$0.60

Remarks

This is a lot in the Acreage.



Land Sale No. 3



Property Identification

Record ID	7774
Property Type	Agricultural/Residential, Acreage
Address	1696 Cheetham Hill Boulevard, Unincorporated, Palm Beach County, Florida
Location	N.W.C. of Cheetham Hill Blvd. and W. Goldcup Drive
Tax ID	00-40-43-25-00-000-3620
Legal Desc.	Lengthy metes and bounds
S/T/R	25/43/40

Sale Data

Grantor	Gary Carlo
Grantee	Ernest Robert Powell
Sale Date	March 18, 2011
Deed Book/Page	24414/0107
Property Rights	Full
Conditions of Sale	Market



PART III – DATA ANALYSIS & CONCLUSIONS

Land Sale No. 3 (Cont.)

Financing Cash to seller with no effect
Sale History None
Verification Confirmed by Rob Callaway

Sale Price \$29,900
Cash Equivalent \$29,900

Land Data

Zoning AR
Topography Flat
Shape Rectangle

Land Size Information

Gross Land Size 1.660 Acres or 72,310 SF
Front Footage Cheetham Hill Boulevard

Indicators

Sale Price/Gross Acre \$18,012
Sale Price/Gross SF \$0.41

Remarks

This is a lot in the Acreage.



PART III – DATA ANALYSIS & CONCLUSIONS

Land Sale No. 4



Property Identification

Record ID	7775
Property Type	Agricultural/Residential, Acreage
Address	16872 Hollow Tree Lane, Wellington, Palm Beach County, Florida
Location	S. side of Hollow Tree Lane just east of Cotton Tail Drive
Tax ID	73-40-44-13-00-000-3200
Legal Desc.	Lengthy metes and bounds, Lot 20 Rustic Ranches
S/T/R	13/44/40

Sale Data

Grantor	Melissa Lau Wong and John Ying Kau Wond
Grantee	Philip Dunn McLellan
Sale Date	November 18, 2010
Deed Book/Page	24203/1772
Property Rights	Full
Conditions of Sale	Market
Financing	Cash to seller with no effect



PART III – DATA ANALYSIS & CONCLUSIONS

Land Sale No. 4 (Cont.)

Sale History None
Verification Confirmed by Rob Callaway

Sale Price \$260,000
Cash Equivalent \$260,000

Land Data

Zoning AR
Topography Flat
Shape Rectangle

Land Size Information

Gross Land Size 5.000 Acres or 217,800 SF
Front Footage Hollow Tree Lane

Indicators

Sale Price/Gross Acre \$52,000
Sale Price/Gross SF \$1.19

Remarks

This is a five acre lot in the Rustic Ranches area of western Wellington.



Land Sale No. 5



Property Identification

Record ID	7776
Property Type	Agricultural/Residential, Acreage
Address	2339 Cotton Tail Drive, Wellington, Palm Beach County, Florida
Location	NWC of Hollow Tree Lane and Cotton Tail Drive
Tax ID	73-40-44-13-00-000-3170
Legal Desc. S/T/R	Lengthy metes and bounds, Lot 17 Rustic Ranches 13/44/40

Sale Data

Grantor	Arturo Gutierrez and Marta Gutierrez
Grantee	Thomas W. Wright
Sale Date	May 14, 2010
Deed Book/Page	23854/0879
Property Rights	Full
Conditions of Sale	Market
Financing	Cash to seller with no effect



PART III – DATA ANALYSIS & CONCLUSIONS

Land Sale No. 5 (Cont.)

Sale History None
Verification Confirmed by Rob Callaway

Sale Price \$150,000
Cash Equivalent \$150,000

Land Data

Zoning AR
Topography Flat
Shape Rectangle

Land Size Information

Gross Land Size 5.470 Acres or 238,274 SF
Front Footage Hollow Tree Lane; Cotton Tail Drive

Indicators

Sale Price/Gross Acre \$27,422
Sale Price/Gross SF \$0.63

Remarks

This is a five acre lot in the Rustic Ranches area of western Wellington.



PART III – DATA ANALYSIS & CONCLUSIONS

Land Sale No. 6



Property Identification

Record ID	7777
Property Type	Agricultural/Residential, Acreage
Address	16763 Hollow Tree Lane, Wellington, Palm Beach County, Florida
Location	N. side of Hollow Tree Lane just east of Cotton Tail Drive
Tax ID	73-40-44-13-00-000-3430
Legal Desc. S/T/R	Lengthy metes and bounds, Lot 43 Rustic Ranches 13/44/40

Sale Data

Grantor	Annamarie Biondolillo and Josephine Biondolillo
Grantee	Pine Tree Farms, Inc.
Sale Date	April 29, 2010
Deed Book/Page	23861/0011
Property Rights	Full
Conditions of Sale	Market
Financing	Cash to seller with no effect



PART III – DATA ANALYSIS & CONCLUSIONS

Land Sale No. 6 (Cont.)

Sale History None
Verification Confirmed by Rob Callaway

Sale Price \$225,000
Cash Equivalent \$225,000

Land Data

Zoning AR
Topography Flat
Shape Rectangle

Land Size Information

Gross Land Size 5.000 Acres or 217,800 SF
Front Footage Hollow Tree Lane

Indicators

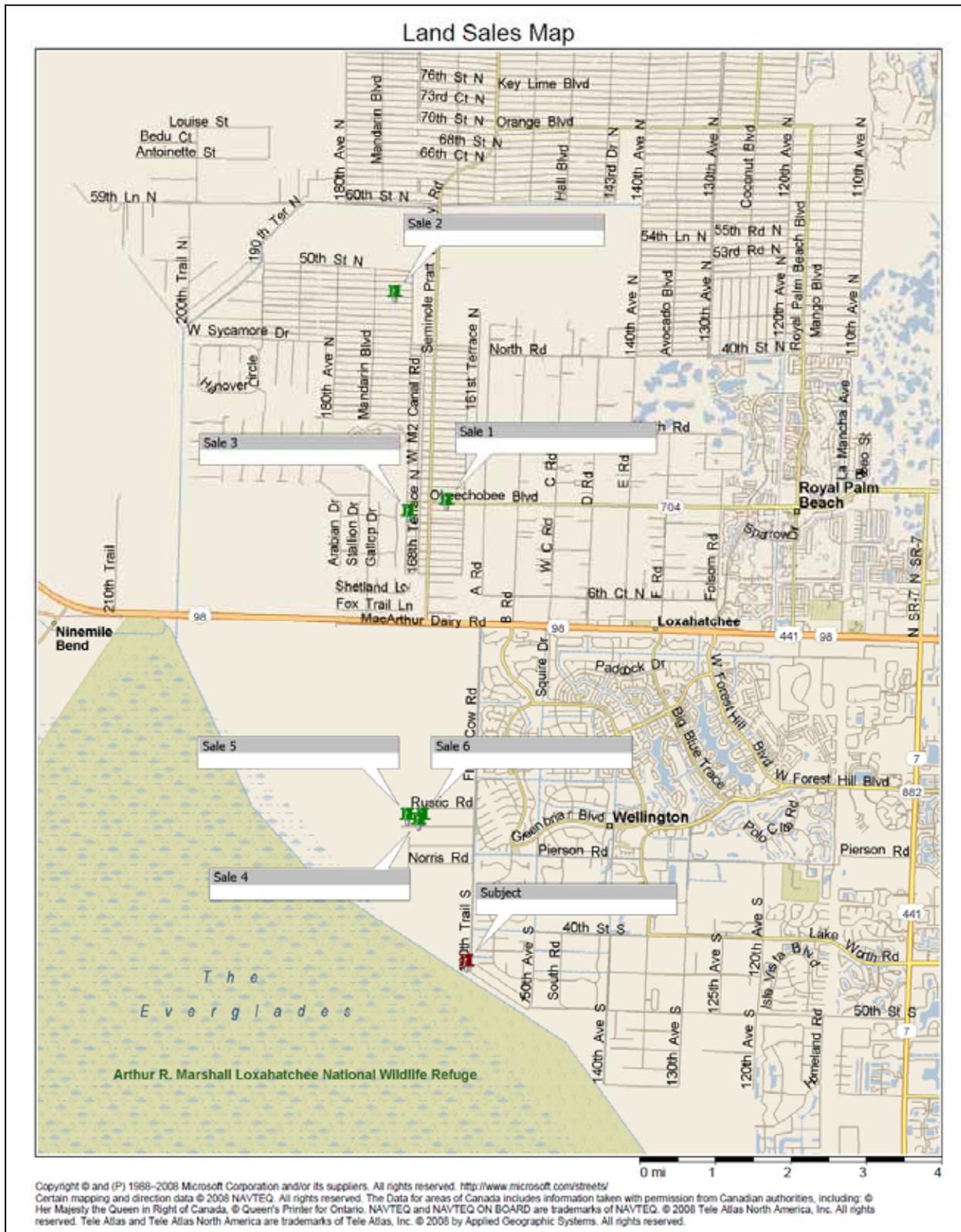
Sale Price/Gross Acre \$45,000
Sale Price/Gross SF \$1.03

Remarks

This is a five acre lot in the Rustic Ranches area of western Wellington.



PART III – DATA ANALYSIS & CONCLUSIONS





PART III – DATA ANALYSIS & CONCLUSIONS

Discussion of Vacant Land Sales

Our search revealed six sales of vacant properties located in the Rustic Ranches area of western Wellington and The Acreage area of unincorporated Palm Beach County. These sales were considered to be suitable for direct comparison to the Subject. As shown below, the comparable sales indicated non-adjusted values ranging from \$18,012 to \$52,000 per acre.

Vacant Land Sales Callaway & Price, Inc. #11-65007							
Sale Number		1	2	3	4	5	6
Record ID Number	Subject	7772	7773	7774	7775	7776	7777
ORBK/PG		24539/0349	24423/1603	24414/0107	24203/1772	23854/0879	23861/0011
Sale Price		\$50,000	\$36,000	\$29,900	\$260,000	\$150,000	\$225,000
Size - Acres	2.85	1.31	1.37	1.66	5.00	5.47	5.00
Price Per Acre		\$38,168	\$26,277	\$18,012	\$52,000	\$27,422	\$45,000
Location	West side of Flying Cow Ranch Rd. at 160th Trail S.	N. side E. Brighton Dr., E. of Seminole Pratt Whitney Rd.	N. side Orange Grove Blvd., W. of Cheetam Hill Blvd.	NEC of Cheetam Hill Blvd. & W. Goldcup Dr.	S. side Hollow Tree Ln. just E. of Cotton Trail Dr.	NWC Hollow Tree Ln. & Cotton Trail Dr.	N. side Hollow Tree Ln. just E. of Cotton Trail Dr.
Date of Sale		May-11	Mar-11	Mar-11	Nov-10	May-10	Apr-10
Date of Value	Jul-11						
Zoning	AR	AR	AR	AR	AR, EO	AR, EO	AR, EO
Future Land Use Plan	Conservation	RR-2.5	RR-2.5	RR-2.5	Res A, 1 per 10	Res A, 1 per 10	Res A, 1 per 10
Conditions of Sale		0%	0%	0%	0%	0%	0%
Market Condition Adj.		0%	0%	0%	0%	0%	0%
Adjusted Price Per Acre		\$38,168	\$26,277	\$18,012	\$52,000	\$27,422	\$45,000
Physical Adjustments							
Location		-10%	-10%	-10%	-5%	-5%	-5%
Size		0%	0%	0%	-10%	-10%	-10%
Site Quality - Shape		-10%	-10%	-10%	-10%	-10%	-10%
Site Quality - Soil/Fill		-10%	-10%	-10%	-10%	-10%	-10%
Zoning / Land Use		-10%	-10%	-10%	-10%	-10%	-10%
Total Physical Adjustment		-40%	-40%	-40%	-45%	-45%	-45%
Adjusted Price Per Acre		\$22,901	\$15,766	\$10,807	\$28,600	\$15,082	\$24,750

Low	\$10,807
High	\$28,600
Average	\$19,651



PART III – DATA ANALYSIS & CONCLUSIONS

Property Rights Conveyed

All the sales in this analysis were transferred on a Fee Simple Estate basis, with the buyers receiving full property rights ownership. We are also unaware of any adverse deed restrictions or any other property rights limitations which would have affected the sales. Therefore, no adjustments were considered necessary for property rights conveyed.

Terms of Financing (Cash Equivalency)

The transaction price of one property may differ from that of a similar property due to atypical financing arrangements. In a case where favorable financing is established, a cash equivalency adjustment is often necessary. However, all of the sales analyzed herein involved either market terms or cash to Grantor. Therefore, no adjustments were made, nor any cash equivalency performed.

Conditions of Sale

Adjustments for conditions of sale usually reflect the motivations of the buyer and seller at the time of conveyance. Within the confirmation process, detailed attention was made to ensure the conditions of each sale. None of the sales required an adjustment for this factor.

Expenditures Made

A knowledgeable buyer considers expenditures that will have to be made upon purchase of the property because these costs affect the price a buyer will pay. Our comparables did not require any adjustments for expenditures made after the sale.

Time or Changes in Market Conditions

Market conditions generally change over time and may be caused by inflation, deflation, fluctuations in supply and demand, or other factors. The comparables occurred from April 2010 to May 2011. The available market data indicates that vacant land values in the Subject's market area have declined considerably since 2006. The rate of decline lessened during late 2008 and values appear to have stabilized since late 2009/2010. The comparables were all considered to be representative of the current market conditions.

Location

The Subject Property is considered to have a remote location which is good for an agricultural or conservation type use. It is on the outskirts of the Village of Wellington in an unincorporated area of Palm Beach County. Sales 1, 2, and 3 are situated on main roadways in the Acreage which is a more developed area of houses between Southern Boulevard and Okeechobee Boulevard and were considered to be superior to the Subject as to location. These sales were adjusted



PART III – DATA ANALYSIS & CONCLUSIONS

downward for location. Sales 4, 5, and 6 have a relatively more remote location like the Subject and were actually located just two miles north of the Subject. They were still just off the paved road portion of Flying Cow Ranch Road and in a platted subdivision thus they were superior. They were adjusted downward for location.

Size

The Subject Property contains a total of 2.85 acres. The comparables range in size from 1.31 to 5.47 acres. It is typical in real estate for a small site to sell at a higher price per square foot than a large site, when all other characteristics are equal. However, in this market area buyers are seeking five acre or ten acre lots for use as ranchettes and undersized lots are less desirable. Comparables 4, 5, and 6 were actual 5 acre lots and were therefore superior in this regard. They were adjusted downward for this size factor.

Site Quality

The Subject Property is triangular in shape. All of the comparables were typical squares or rectangles and were superior in shape. All the comparables were adjusted downward for this site quality – shape factor. The Subject also is low lying and is muck land (60% Okeelanta muck and 40% Tequesta muck. All of the sales were superior in this regard. The comparables were all adjusted downward for this site quality – soil/fill factor.

Zoning

The Subject Property is zoned AR, Agricultural Residential, one unit per five acres. It is land use planned for Conservation. This may be because it is owned by the South Florida Water Management District. The adjacent surrounding lands are all planned for 1 unit per 10 acres. The comparable sales are zoned AR, Agricultural Residential (like the Subject), one unit per five acres. Although the Subject may be able to be developed with one unit (even though it is undersized), it is our opinion this is a legal issue (zoning and land use) which must be overcome. Therefore all the comparables are superior. Sales 1, 2, and 3 have land use plans for 1 unit per 2.5 acres. They are all superior in this regard and were adjusted downward for this zoning/land use factor. Sales 4, 5, and 6 have land use plans for 1 unit per 10 acres. They are all superior when compared to the Subject and were adjusted downward for this zoning/land use factor.



PART III – DATA ANALYSIS & CONCLUSIONS

Conclusion

As can be seen on the comparable sales chart displayed earlier, the comparables indicate an adjusted range from \$10,807 to \$28,600 per acre. The comparables have an average indication of \$19,651 per acre. It is our opinion that the Market Value of the Subject Property is best represented by a range of from \$15,000 to \$20,000 per acre. This indicates that the land value of the Subject Property is calculated as follows:

2.85	Acres @	\$15,000	Per Acre =	\$42,750
		to		
2.85	Acres @	\$20,000	Per Acre =	\$57,000
			Rounded =	\$50,000



CORRELATION & FINAL VALUE ESTIMATE

\$50,000



*PART V – DATA ANALYSIS & CONCLUSIONS
-AFTER ACQUISITION*

AFTER ACQUISITION

None



RECAPITULATION

None



TITLE EVIDENCE REPORT

None Provided

OTHER PERTINENT EXHIBITS

See Addenda.

QUALIFICATIONS OF APPRAISER

See Addenda.

ADDENDA

ENGAGEMENT LETTER



Appraisal Section
**STATEMENT OF SERVICES
INFORMAL SOLICITATION**
Tract 27100-063 (SFWMD) - APPRAISAL

I. Introduction/Background

The South Florida Water Management District is engaged in land acquisition activities relative to various Federal, State and local projects. It is the responsibility of the District Real Estate Section to acquire real property interests that are needed for these projects. As authorized by District Real Estate Appraisal Policy and District Procurement Policy 07.100, the Appraisal Section is requesting a response to this informal solicitation to provide appraisal services.

II. Scope of Work

The assignment is to estimate the **market value** of the subject property using all applicable approaches to value.

Identification of the Subject Real Estate	
Property Owner	SFWMD
District Tract Number (s)	27100-063
Tract Size (Acres)	2.85
Current Use	Vacant
Project	Water Conservation Area
County	Palm Beach
Tax Parcel Id	Part of 00-40-44-25-00-000-1010

Definition of Value

The appraiser shall estimate **Market Value**. Based on Florida case law (State Road Dept. v. Stack, 231 So.2d 859 FL 1st DCA 1969) market value is defined as:

The amount of money that a purchaser willing but not obligated to buy the property would pay an owner willing but not obligated to sell, taking into consideration all uses to which the property is adapted and might be applied in reason. Inherent in the willing buyer-willing seller test of the fair market value is the following:

1. A fair sale resulting from fair negotiations.
2. Neither party is acting under compulsion of necessity (this eliminates forced liquidation or sale at auction). Economic pressure may be enough to preclude a sale's use.
3. Both parties having knowledge of all relevant facts.
4. A sale without peculiar or special circumstances.
5. A reasonable time to find a buyer.

Identification of the Property Rights to Be Valued

The interest to be appraised is **Fee Simple** subject to the exceptions identified in Section II of Schedule B of the Title Commitment provided by the District.

Intended Use of the Appraisal

The use of the appraisal is to assist the District in the possible sale of the subject tract.

Intended User

The South Florida Water Management District Real Estate Section is the intended user of this report.



Appraisal Section
**STATEMENT OF SERVICES
INFORMAL SOLICITATION**
Tract 27100-063 (SFWMD) - APPRAISAL

Effective Date of the Appraisal

The effective date of the appraisal shall coincide with the date of the last inspection of the subject property and be within 30 days from the date of the report.

Special Appraisal Assumptions and/or Legal Instructions

None - May be mutually developed by the contractor and client during the assignment.

III. Work Breakdown Structure

The assignment shall be completed in compliance with the South Florida Water Management District Real Estate Appraisal and Review Standards. The District requires a Self-Contained Appraisal Report. The report shall be submitted on or before the delivery date. *An electronic copy of the appraisal report is required. The report must be self-contained, signed, and in one PDF file.* The reviewer shall notify the appraiser of any deficiencies within **ten** days from the date the report is received. The appraiser shall respond to and correct any deficiencies as appropriate within **seven** days from receiving them from the reviewer. The reviewer will then notify the appraiser to submit the final amended report.

IV. Summary of Deliverables and Timeframes

One copy of the report and completed checklist - On or before the **delivery date**.

Response to deficiencies - Within **seven days** from the date received.

Electronic final report within **three days** from the reviewer's notice.



Appraisal Section
**STATEMENT OF SERVICES
INFORMAL SOLICITATION**
Tract 27100-063 (SFWMD) - APPRAISAL

CONFLICT OF INTEREST CERTIFICATION AND COMPETENCY STATEMENT

TO SOUTH FLORIDA WATER MANAGEMENT DISTRICT:

I, Stephen D. Shaw, certify that I do not have any interest, direct or indirect, in the real property being appraised for the District that would in any way conflict with the preparation or review of the appraisal.

I have no vested or fiduciary interest in the subject property except for the fee for this assignment.

CHECK THE APPROPRIATE STATEMENT AND SIGN BELOW:

I also certify that I have read and understand the Competency Rule of the Uniform Standards of Professional Appraisal Practice (USPAP), and that I have the knowledge and experience to complete this assignment competently.

OR

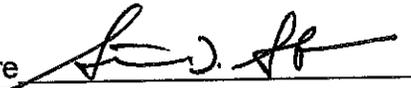
I presently lack the knowledge and/or experience to complete this assignment competently. However, I will take all necessary and appropriate steps to complete the assignment in a competent manner.

Quotation

Not to Exceed Fee \$ 2,400

Delivery Date July 27, 2011

Assumes notice to proceed is issued within 7 business days of Quotation.

Signature 

Date 7/5/11

The Statement of Services and Informal Solicitation is an opportunity to submit a quotation for this assignment and is not intended to guarantee any amount of work. It will be made part of the Purchase Order by reference if issued.

Please complete, digitally sign, and email this page back to me at jduncan@sfwmd.gov by 5:00 PM, July 6, 2011.



South Florida Water Management District
 P.O. Box 24680
 West Palm Beach, FL 33416-4680
 Telephone (561) 686-8800

PURCHASE ORDER

FLORIDA SALES TAX EXEMPTION #85-8013149859C-9
 FEDERAL TAX EXEMPT #59-74-0072K

PRICES QUOTED INCLUDE SHIPPING CHARGES UNLESS OTHERWISE STIPULATED BELOW.			THIS NUMBER MUST APPEAR ON ALL PACKAGES, PACKING LISTS, INVOICES, AND CORRESPONDENCE.		PAYMENT TERMS PAY WITHIN 30 DAYS NET.
			4500061336		
			PAGE NO. 1 of 1	DATE OF ORDER 07/18/2011	EST. DELIVERY DATE 07/27/2011
VENDOR NO. 111513	PURCHASING AGENT J. HARRIS-FITZROY	PHONE 561-682-2298	F.O.B. DESTINATION		CONFIRMING NO

V E N D O R	CALLAWAY & PRICE INC 1639 FORUM PL STE 5 & 6 WEST PALM BEACH FL 33401 Tel: 561-686-0333 Fax: 561-686-3705 ATTN: STEPHEN SHAW, MAI	S H I P T O	SOUTH FLORIDA WATER MANAGEMENT DISTRICT SFWMD: HEADQUARTERS B-1 BUILDING 3301 GUN CLUB ROAD WEST PALM BEACH FL 33406
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LINE ITEMS OF YOUR INVOICE MUST MATCH LINE ITEM NUMBERS ON THIS DOCUMENT

Line	Quantity	Unit	Part Number and Description	Unit Price	Total Amount	
1	1	AU	APPRAISAL SERVICES	2,400.00	2,400.00	
10	2,400	EA	APPRAISAL SERVICES TRACT 27100-063	1.00	2,400.00	
<p>THE ITEM COVERS THE FOLLOWING SERVICES:</p> <p>VENDOR SHALL PROVIDE APPRAISAL SERVICES AS REQUIRED BY THE SOUTH FLORIDA WATER MANAGEMENT DISTRICT. PRICING PER QUOTATION DATED 7/05/11 FROM STEPHEN D. SHAW.</p> <p>SFWMD CONTACT: JAMES DUNCAN AT (561) 682-6689</p> <p>EMAIL STEPHEN SHAW AT SDS@CPWPB.COM</p>						
NOTE: . Prices displayed govern the purchase order transaction. . Early payment discount invoices receive priority handling. . The attached Purchase Order terms & conditions, pages 1 through 2 apply					Page Total	2,400.00
					Grand Total	2,400.00

SEND ALL INVOICES TO:
 South Florida Water Management District
 P.O. Box 24682
 West Palm Beach, FL 33416-4682

Josely Harris
 Authorized Agent
 SOUTH FLORIDA WATER MANAGEMENT DISTRICT
 An Equal Opportunity Employer - MF/H/V

APPRAISAL REPORT CHECKLIST



Appraisal Report Documentation Checklist

Title Page

- Agency Name Property Address
 Agency Tract No. Appraiser's Name(s)
 Appraiser's Address Effective Date of Value

Letter of Transmittal

- Date of Letter Identification of Property
 Prop. Rights Appraised Effective Date of Value
 Special Assumptions Special Instructions
 Estimate of Before Value Estimate of After Value
 Appraiser Signature

Table of Contents

- Omitted Adequate Inadequate

Appraiser's Certification

- Facts True & Correct Limited Only by Assump.
 No Interest in Property No Contingent Fee
 Conforms to USPAP Conforms to Fed. Standards
 Property Inspection Offered Owner Accomp.
 Professional Assistance Before Value
 After Value Effective Date of Value

Summary of Salient Facts and Conclusions

- Ident. of Property Effective Date of Value
 H & B Use—Before H & B Use—After
 Description Before Description After
 Value Before: Value After:
 Cost Cost
 Market Market
 Income Income
 Final Est. Final Est.

Photographs of Subject

- Omitted Adequate Inadequate

Assumptions & Limiting Conditions

- Appropriate Suitable for Trial
 Extraneous Limited Appraisal
 Assumptions

Scope of Appraisal

- Omitted Adequate Inadequate

Purpose of Appraisal

- Defin. of Market Value Defin. of Property Rights

Sum. of Appraisal Prob.

- Omitted Adequate Inadequate

Legal Desc.—Before

- Omitted Adequate Inadequate

Area Data—Before

- Omitted Adequate Inadequate

Site Data—Before

- (Overall)
- Adequate Inadequate
 Present use Access
 Topog. Soils
 Vegetation Land Area
 Land Shape Utilities
 Minerals Easements
 Hazards

Improvement Data—Before

- (Overall)
- Adequate Inadequate
 Type Size
 Actual Age Effective Age
 Condition Quality
 Occupancy On-site Imp.

Fixtures—Before

- Omitted Adequate Inadequate

History—Before

- Use
- Omitted Adequate Inadequate
 Sales
 Omitted Adequate Inadequate
 Rental
 Omitted Adequate Inadequate

Assessed Value & Tax Load—Before

- Assessed Value
 Omitted Adequate Inadequate
 Tax Load
 Omitted Adequate Inadequate

Zoning & Land Use Regulations—Before

- Description
 Omitted Adequate Inadequate
 Rezone Probability
 Omitted Adequate Inadequate
 Land Use Regs.
 Omitted Adequate Inadequate

Highest and Best Use—Before

- Vacant
 Omitted Adequate Inadequate
 Improved
 Omitted Adequate Inadequate
 L.P. Considered
 Omitted Adequate Inadequate
 Reasonable Conclusion
 Yes No

Land Valuation—Before

- Comparables:
 Description
 Adequate Inadequate
 Photos
 Omitted Adequate Inadequate
 Analysis
 Omitted Adequate Inadequate
 Suitable for Trial
 Yes No
 Final Value Analysis
 Adequate Inadequate

Cost Approach—Before

- Justified Omission
 Yes No N/A
 Reproduction Cost
 Adequate Inadequate
 Depreciation:
 Market Supported
 Yes No
 Analysis
 Omitted Adequate Inadequate
 Final Estimate
 Adequate Inadequate

Sales Comparison Approach—Before

- Comparables:
 Description
 Adequate Inadequate
 Photos
 Omitted Adequate Inadequate
 Analysis
 Omitted Adequate Inadequate
 Suitable for Trial
 Yes No
 Final Value Analysis
 Adequate Inadequate

Income Capitalization Approach—Before

- Justified Omission
 Yes No N/A
 Gross Income Estimate
 Adequate Inadequate
 Vacancy
 Omitted Adequate Inadequate
 Expenses:
 Fixed
 Omitted Adequate Inadequate
 Operating
 Omitted Adequate Inadequate
 Reserves
 Omitted Adequate Inadequate
 Capitalization Rate:
 Market Supported
 Yes No
 Selection Method
 Adequate Inadequate
 Suitable for Trial
 Yes No

Final Value Estimate—Before

- Reasoned Analysis
 Omitted Adequate Inadequate
 Avoided Summation Appraisal
 Yes No
 Suitable for Trial
 Yes No

Legal Description—After (or Description of Acquisition)

- Omitted Adequate Inadequate

Neighborhood Factors—After

- Project Desc.
 Omitted Adequate Inadequate
 Project Impact
 Omitted Adequate Inadequate

Site Data

- Shape Utilities
 Size Access
 Easements
 Relationship to Project
 Adequate Inadequate

Improvements—After

- Description
 Omitted Adequate Inadequate

Fixtures—After

- Omitted Adequate Inadequate

History—After

- Use/Rental Since Take
 Omitted Adequate Inadequate

Assessed Value—Tax Load—After

- Estimated A.V.
 Omitted Adequate Inadequate
 Estimated Tax Load
 Omitted Adequate Inadequate

Zoning & Land Use Regulations—After

- Rezone Considered
 Omitted Adequate Inadequate

Highest & Best Use—After

- Change Considered
 Omitted Adequate Inadequate
- Intensity Considered
 Omitted Adequate Inadequate
- Restoration Considered
 Yes No N/A
- Effects of TCEs
 Yes No N/A
- Reasonable Conclusion
 Yes No
- Non-conformity
 Omitted Adequate Inadequate

Land Valuation—After

- Comparables:
 Same Comparables as Before
 Yes No
- Description
 Adequate Inadequate
- Photos
 Omitted Adequate Inadequate
- Analysis
 Omitted Adequate Inadequate
- Suitable for Trial
 Yes No
- Final Value Analysis
 Adequate Inadequate

Cost Approach—After

- Justified Omission
 Yes No N/A
- Reproduction Cost
 Adequate Inadequate
- Depreciation:
 Market Supported
 Yes No
- Analysis
 Omitted Adequate Inadequate
- Final Value Analysis
 Adequate Inadequate

Sales Comparison Approach—After

- Comparables:
 Same Comparables as Before
 Yes No
- Description
 Adequate Inadequate
- Photos
 Omitted Adequate Inadequate
- Analysis
 Omitted Adequate Inadequate
- Suitable for Trial
 Yes No
- Final Value Analysis
 Adequate Inadequate

Income Capitalization Approach—After

- Justified Omission
 Yes No N/A
- Gross Income Estimate
 Adequate Inadequate
- Vacancy
 Omitted Adequate Inadequate
- Expenses:
 Fixed
 Omitted Adequate Inadequate
- Operating
 Omitted Adequate Inadequate
- Reserves
 Omitted Adequate Inadequate
- Capitalization Rate:
 Market Supported
 Omitted Adequate Inadequate
- Selection Method
 Adequate Inadequate
- Suitable for Trial
 Yes No

Final Value Estimate—After

- Reasoned Analysis
 Omitted Adequate Inadequate
- Avoided Summation Appraisal
 Yes No
- Suitable for Trial
 Yes No

Acquisition Analysis

- Avoided Valuing Take
 Yes No
- Shown in Proper Form
 Yes No

Allocation & Explanation of Damages

- Value of Take/Damages Properly Allocated
 Yes No
- Damage Explanation
 Omitted Adequate Inadequate
- Noted Accounting Tabulation
 Yes No
- Cost to Cure Damage Estimated
 Yes No
- Cost Justified
 Omitted Adequate Inadequate
- Profit
 Omitted Adequate Inadequate
- Cost v. Diminution in Market Value Considered
 Omitted Adequate Inadequate

Special Benefits

- Adequately Explained
 Yes No N/A

Location Map

- Omitted Adequate Inadequate

Comparable Data Maps

- All Comps on Map
 Yes No
- Subject Shown on Map
 Yes No

Comparable Data Sheets

- Confirmed Yes No
- Terms Reported Yes No
- Buyer/Seller Yes No
- Date of Sale Yes No
- Recording Info Yes No
- Location Yes No
- Present Use Yes No
- H&B Use Yes No
- Zoning Yes No
- Legal Yes No
- Physical Description Adequate Inadequate

Plot Plan

- Property Boundaries Shown Yes No
- Dimensions Before Yes No
- Dimensions After Yes No
- Street Frontage Before Yes No
- Street Frontage After Yes No
- Photo Locations Yes No
- Improvement Locations Yes No

Floor Plan

- Adequate Inadequate N/A

Title Report

- Omitted Adequate Inadequate

Other Exhibits

- Adequate Inadequate N/A

Qualifications

- Omitted Adequate Inadequate

QUALIFICATIONS



Qualifications – Stephen D. Shaw, MAI

Professional Designations\Licenses\Certifications

Member, Appraisal Institute, MAI Designation #10461
Florida State-Certified General Appraiser RZ1192
Florida State Licensed Real Estate Salesman 0495422

Professional Experience

Principal, Callaway & Price, Inc., since January 1999
Senior Appraisal Consultant, Callaway & Price, Inc., since July 1997 – December 1998
Appraisal Consultant, Callaway & Price, Inc., since April 1994
Associate Appraiser, Pinel & Carpenter, Inc., Orlando, April 1992 - March 1994
Appraiser/Researcher, Callaway & Price, Inc., September 1987 - March 1992
Special Magistrate Palm Beach County since 1996
Special Magistrate, Martin County, 2009

Qualified as an Expert Witness

Palm Beach County, Florida.
Martin County, Florida.
Sarasota County, Florida

Education

Bachelor of Science Degree, Business Administration, Major in Real Estate and Finance, University of Florida

Appraisal Institute:

Course 101 - An Introduction to Appraising Real Property, 1992
Course 201 - Principles of Income Producing Properties, 1991
Course 2-1 - Case Studies in Real Estate Valuation, 1992
Course 540 - Report Writing and Valuation Analysis, 1993
Course 2-3 - Standards of Professional Practice Parts A & B, 1991

Numerous other courses and seminars sponsored by the Appraisal Institute

Appraising\Consulting Expertise

Acreage	Office Buildings
ACLFs	Office/Warehouses
Apartment Complexes	Retail Buildings
Automotive Service Facilities	Restaurants
Bowling Alleys	Special Purpose Properties
Commercial Buildings	Shopping Centers
Condominium Projects	Vacant Commercial Land
Eminent Domain	Vacant Industrial Land
Golf Courses	Vacant Multifamily Pods
Hotels	Vacant Residential Land
Marinas	Vacant Single-Family Subdivisions
Mini-Warehouses	Warehouses



Qualifications - Stephen D. Shaw, MAI

Organizations and Affiliations

Appraisal Institute:

- Experience Review Committee
- Ethics & Counseling Committee
- Business Development Board Palm Beach County, Member

AD# 5292094

STATE OF FLORIDA

DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
FLORIDA REAL ESTATE APPRAISAL BD

SEQ# L10101802163

DATE	BATCH NUMBER	LICENSE NBR
10/19/2010	108110200	RZ1192

The CERTIFIED GENERAL APPRAISER
Named below IS CERTIFIED
Under the provisions of Chapter 475 FS.
Expiration date: NOV 30, 2012

SHAW, STEPHEN DAY
1639 FORUM PLACE
SUITE 5
WEST PALM BEACH FL 33401

CHARLIE CRIST
GOVERNOR

CHARLIE LIEM
SECRETARY

DISPLAY AS REQUIRED BY LAW



Qualifications – Robert A. Callaway

Professional Designations\Licenses\Certifications

Florida State-Certified General Real Estate Appraiser, RZ2461
Florida State Licensed Real Estate Salesman 0501764

Professional Experience

Appraisal Consultant, Callaway and Price, Inc., since September 1989
Researcher, Callaway and Price, Inc., 1987 - 1989

Qualified As An Expert Witness

Palm Beach County, Florida

Geographic Experience

Throughout United States
Bahamas
Puerto Rico
Virgin Islands

Education

Bachelor of Business Administration, Major in Real Estate, Florida Atlantic University
Florida Real Estate Commission, Course I

University of Florida, Real Estate Department:

Real Estate Principles and Practice
Real Estate Valuation
Real Estate Law
Real Estate Feasibility

Florida Atlantic University, Real Estate/Finance Department:

Real Estate Theory
Real Estate Finance

Society of Real Estate Appraisers:

Real Estate Valuation Using Spreadsheet, Pilot Seminar, 1987
Appraising Condominium Properties, 1989

American Law Institute - American Bar Association:

Eminent Domain and Land Valuation Litigation, 1989

American Institute of Real Estate Appraisers:

Real Estate Appraisal Principles - Course 1A-1
Basic Valuation Procedures - Course 1A-2
Standards of Professional Practice - Course 2-3, 1989

Appraisal Institute:

Advanced Income Capitalization - Course 510, 1994
Seven-Hour (USPAP) Core Law for Appraisers, 1995



Qualifications – Robert A. Callaway

Appraising\Consulting Expertise

Agricultural Land
Automobile Dealerships
Cattle Ranches
Civic Center Site
Commercial Buildings
Condominium Projects
Eminent Domain
Environmentally Sensitive Lands
Gas Stations/Convenience Stores
Golf Courses
Intermediate Care Facilities
Market/Feasibility Studies

Marinas
Office Buildings
Regional Malls
Retail Buildings
Self Storage Facilities
Shopping Centers
Sovereignty Submerged Land
Special Purpose Properties
Vacant Commercial Land
Vacant Industrial Land
Vacant Residential Land
Warehouses