

**SEWELL, VALENTICH, TILLIS & ASSOCIATES**

*A Partnership of Professional Associations*



The appraisal report being reviewed contains multiple data entries that were been provided to the appraisers by the property owners and are designated "Confidential, Proprietary and Trade Secret" in accordance with s. 812.081, Florida Statutes, and are exempt from disclosure under the Public Records Act, Chapter 119, Florida Statutes, pursuant to s. 815.045, Florida Statutes. Any data that is classified as "trade secret" will be permanently redacted from copies of the appraisal report or review memorandum prior to distribution.

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October 25, 2008

Ms. Ruth Clements, Director  
Land Acquisition Department  
Mr. Ray Palmer, Chief Appraiser  
Land Acquisition Department  
South Florida Water Management District  
3301 Gun Club Road  
West Palm Beach, FL 33406

Re: Appraisal of United States Sugar Corporation Lands  
Palm Beach, Hendry, Glades and Gilchrist Counties, FL

Dear Ms. Clements and Mr. Palmer:

Pursuant to your request and authorization, we have now completed our appraisal of those components of the United States Sugar Corporation holdings identified as "USSC Lands." This appraisal report estimates the current market value of the various components of USSC landholdings which collectively make up approximately 182,500± acres of land which have historically been used in conjunction with the United States Sugar Corporation enterprise. The purpose of this appraisal is to estimate the current market value of these land components based upon a highest and best use which may be realized through their development or utilization in a manner which is inconsistent with their historical agricultural use. This appraisal does not value these land components as an integral part of the combined entire USSC enterprise or business. The value estimate reflected in this appraisal report also does not reflect the contributory value of the lands based upon any assumption that sugarcane production must continue to be the predominant use of USSC-owned lands.

Ms. Ruth Clements  
Mr. Ray Palmer  
October 25, 2008  
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This appraisal is a "complete appraisal" presented in summary report format, and is prepared pursuant to our agreement dated October 21, 2008. This appraisal includes the following subjects:

1. All agricultural lands owned by USSC and subsidiaries, including citrus groves and land currently used for sugarcane production
2. The improved special-purpose citrus nursery located in Gilchrist County, FL

Pursuant to our agreement, this appraisal will incorporate several special appraisal assumptions which will be referred to as "extraordinary assumptions." These include the following:

- 1) The date of value estimate or effective date of appraisal will be August 15, 2008.
- 2) The sugarcane acreage and the Clewiston sugar mill will continue an uninterrupted, interdependent relationship if the highest and best use of the property is consistent with agricultural production. Sugarcane will be purchased by the mill at the same market prices paid to independent growers.
- 3) The citrus acreage and the Southern Gardens Groves processing plant will continue operations with fruit purchased by the plant at the same market prices paid to independent growers.
- 4) The limestone rock mining lands leased to Stewart Mining Industries and the site leased to Florida Rock Industries (Lake Harbor Quarry) will likely be permitted by the necessary government agencies to allow for the excavation of limestone rock.

Additional extraordinary assumptions which also affect our value estimates will be further described within the body of the attached appraisal report.

Ms. Ruth Clements  
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We have accomplished the stated purpose of this appraisal, which is to estimate the current market value of the fee simple estate, by carefully considering the highest and best use of the various lands owned by USSC or its subsidiaries. These lands have been collectively grouped into several different categories based upon the general utility, highest and best use, and physical character of the various component parts. The various groupings considered and separately valued are as follows:

- 1) Three independent citrus groves
- 2) Special-purpose citrus nursery located in Gilchrist County, FL
- 3) Transitional lands with varying highest and best uses
- 4) Agricultural lands lying westerly of Blumberg Road having sandy soils
- 5) Agricultural lands lying easterly of Blumberg Road having muck soils
- 6) Agricultural lands lying north and east of Clewiston within the Pahokee area

Within the body of the attached appraisal report is a complete explanation of the various techniques employed and analyses performed which result in our estimate of the value of the component parts of the USSC holdings. Our value estimate reflects an effective date of appraisal as of August 15, 2008.

Thank you again for the opportunity to provide this service. Please feel free to call us at your convenience if additional explanation would assist you in better understanding the results of our appraisal.

Sincerely,



E. LARRY SEWELL, MAI

State-Certified General Real Estate Appraiser RZ501

ELS:daf

**COMPLETE APPRAISAL PRESENTED  
IN SUMMARY REPORT FORMAT**

**OF**

**Lands Owned by The United States Sugar Corporation  
and The Southern Gardens Groves Corporation  
Located in Palm Beach, Hendry, Glades and  
Gilchrist Counties, Florida**

**Our File No. 08-92**

**FOR**

**THE SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

**Ms. Ruth Clements, Director  
Land Acquisition Department  
and**

**Mr. Ray Palmer, Chief Appraiser  
Land Acquisition Department  
3301 Gun Club Road  
West Palm Beach, FL 33406**

**AS OF**

**August 15, 2008**

**BY**

**E. LARRY SEWELL, MAI**

**STATE-CERTIFIED GENERAL REAL ESTATE APPRAISER 0000501**

# **SUMMARY OF SALIENT FACTS**

## **IDENTIFICATION OF PROPERTY APPRAISED**

Current market value estimates of components which collectively make up approximately 182,500± acres of land owned by the United States Sugar Corporation and its subsidiary, Southern Gardens Groves Corporation. Also appraised are improvements associated with the special-purpose citrus nursery located in Gilchrist County, FL.

## **SUMMARY OF SUBJECT COMPONENTS OF APPRAISAL**

Devil's Garden Citrus Grove:	5,438± Acres
Dunwoody/Alcoma Citrus Grove:	9,441± Acres
Southern Citrus Grove:	17,723± Acres
Gilchrist Citrus Nursery:	79.16± Acres
Transitional Lands:	19,239± Acres
Agricultural Lands East of Blumberg Road:	42,960± Acres
Agricultural Lands West of Blumberg Road:	30,695± Acres
Agricultural Lands East US 27/Pahokee/Northeast:	56,985± Acres

## **PROPERTY LOCATIONS**

## **INTEREST APPRAISED**

Palm Beach, Hendry, Glades and  
Gilchrist Counties, FL

Fee Simple

## **EFFECTIVE DATE OF APPRAISAL**

August 15, 2008

## **EXTRAORDINARY ASSUMPTIONS**

- 1. Exclusion of project influence.**
- 2. Assumption of adequate access.**
- 3. Soil productivity and unknown conditions.**
- 4. Continued water supply.**
- 5. The continued and uninterrupted operation of the Clewiston sugar mill and interdependent relationship of lands used for agricultural purposes if necessary to support the mill.**
- 6. Citrus groves to continue operations, i.e. use for citrus production.**
- 7. Assumption that both the Stewart Mining Industries parcel and the Lake Harbor Quarry parcel will be permitted by government agencies to allow for rock excavation**

## SUMMARY OF VALUE ESTIMATES

### UNITED STATES SUGAR CORPORATION LANDS

USSC APPRAISAL SUBJECT COMPONENT SUBJECT PROPERTY IDENTIFICATION	TOTAL SIZE ACRES	VALUE ESTIMATE AS OF AUG 15, 2008
SGGC Devil's Gardens Citrus Grove	5,439	\$49,000,000
SGGC Dunwody/Alcoma Citrus Grove	9,441	\$52,600,000
SGGC Southern Citrus Grove	17,723	\$96,400,000
SGGC Gilchrist Citrus Nursery	79.16	\$2,500,000
Transitional Lands Residential	5,474.22	\$79,376,000
Transitional Lands Commercial / Industrial	492.70	\$15,766,000
Transitional Lands Limited Utility	306.67	\$767,000
Transitional Lands Rock Mining	12,964.93	\$259,298,600
USSC Lands East of Blumberg Rd	42,960.79	\$236,285,000
USSC Lands West of Blumberg Rd	30,695.00	\$153,500,000
USSC Lands East US 27 Pahokee and North	56,985.08	\$427,388,000
<b>TOTAL USSC ACRES</b>	<b>182,561.55</b>	<b>ACRES</b>

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## **IDENTIFICATION OF SUBJECT PROPERTIES**

This appraisal develops a current market value estimate of a wide variety of properties which collectively consists of much of the land owned by USSC or its subsidiaries within the State of Florida. Located in Palm Beach, Glades, Hendry and Gilchrist Counties, the total number of acres included in this appraisal is approximately 182,500± acres. Much of this land has historically been used for agricultural uses, including the growing of sugarcane and citrus production. A small component of these lands has been left in a native state and, in some cases, has been earmarked for other alternative or transitional uses.

Geographically, the USSC land holdings, as well as the citrus lands owned by its subsidiary, Southern Gardens Groves Corporation, are located to the south of Lake Okeechobee, ranging from the southwestern shore of the lake to the east, north of the community of Pahokee. These lands are located in close proximity to several rural towns, including Moore Haven, Clewiston, South Bay, Belle Glade and Pahokee. An additional 80±-acre parcel which has recently been developed and improved as a state-of-the-art citrus nursery is located in the northern portion of the State of Florida within Gilchrist County.

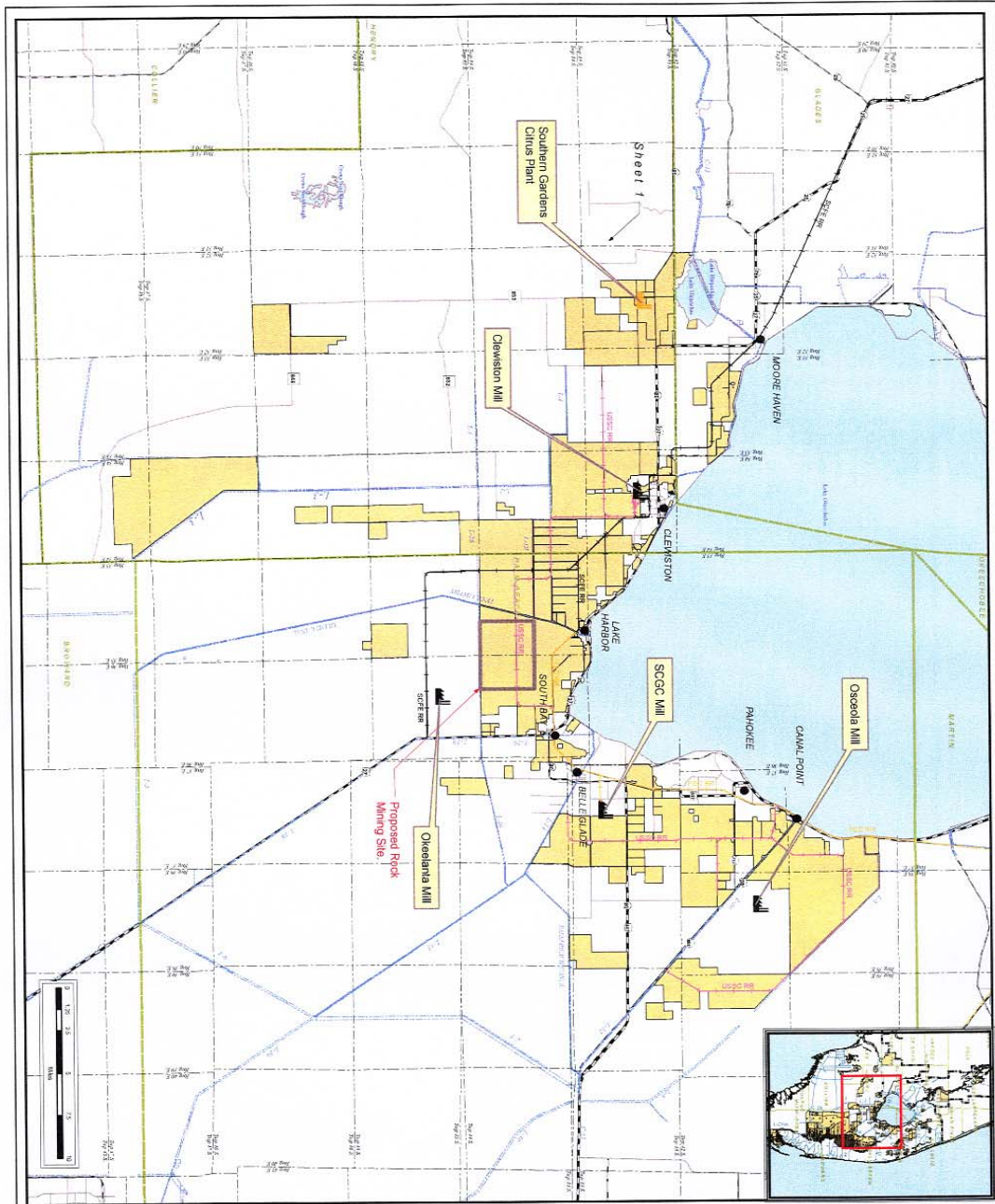
Much of this land has been improved to allow for agricultural production by leveling the land and configuring the fields to provide positive drainage into constructed reservoirs, canals or other containment areas. Typical site improvements located on the various lands which support agricultural production include roadways, fencing, retention areas, canals, wells, pumps, structures and other miscellaneous improvements designed for agricultural use. These agricultural improvements are not valued independently and are included within the total price per acre reflected within the value estimate for the underlying land.

This appraisal considers the basic components of the total ownership which includes a number of different property types. Components have been organized based upon a variety of factors which include the highest and best use of the lands, their locational characteristics, the quality and diversity of soil profiles, and other factors which contribute to the general utility of the individual lands or parcels. The following represents a summary of the property types independently considered within this appraisal:

## **IDENTIFICATION OF SUBJECT PROPERTIES, Cont'd.**

- Transitional lands where future highest and best use may be other than agricultural
- Lands which have been identified as being permissible and well suited for the extraction of limestone materials
- Three independent citrus groves totaling more than 32,000± acres
- Agricultural lands lying easterly of Blumberg Road, which have historically been used for sugarcane production, but are now recognized as having some potential for alternative agricultural uses
- Agricultural lands lying westerly of Blumberg Road, having sandy soils used for sugarcane production, as well as alternative crops
- Agricultural lands lying easterly of U.S. 27 running northerly from the community of South Bay to the general location of Canal Point
- Improved special-purpose citrus nursery with 80± acres located in Gilchrist County, FL

The specific locations and configurations of these properties are identified by various maps and documents which have been provided by our client and by the United States Sugar Corporation. By reference, these documents are made part of this appraisal.



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This map is a conceptual tool offered for informational purposes only. This map is not intended for, and does not constitute, an offer of any financial product or service. This map is not intended to be used for any other purpose.



- |                                   |                               |                                  |
|-----------------------------------|-------------------------------|----------------------------------|
| Acquired Lands - Fee Title        | Acquired Non-Fee Interest     | CERP - Accelerated Project Areas |
| Ext. Partner Acquired - Fee Title | Approved - Not Closed Non-Fee | CERP - Conceptual Areas          |
| Approved - Not Closed             | Acquired Non-Fee              | CERP - Project Areas             |
| Proposed Acquisition - Fee Title  | Proposed Fee Acquisition      | Save Our Rivers Project Areas    |
| Acquired Fee Proposed Surplus     | Proposed Non-Fee Interest     |                                  |



**sfwmd.gov**

South Florida Water Management District  
 Land Acquisition Department  
 GIS SECTION  
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 MAILING ADDRESS: P.O. Box 2468, West Palm Beach, FL 33416-0468

**River of Grass**  
 Project Map  
 Appraisal Cover Sheet

**UPDATED**  
 08 AUG 2008



For copies of this map (\\sfc\gis\mapproj\RiverOfGrass\mapproj\MainAppraisel\_Cover\_Sheet.mxd) was produced on 8/15/2008 by R. Schaffer, contact the GIS Section

## **IDENTIFICATION OF CLIENT AND INTENDED USER**

The client and intended users of this appraisal report include the South Florida Water Management District Land Acquisition Department and all appropriate funding partners.

## **IDENTIFICATION OF INTENDED USE**

This appraisal is prepared to be used specifically to assist SFWMD in negotiating the acquisition of lands from the United States Sugar Corporation. An additional intended use of the appraisal includes its use for crediting purposes with SFWMD's funding partners.

## **IDENTIFICATION OF TYPE AND DEFINITION OF MARKET VALUE**

This appraisal is intended to be a current market value estimate of the land and improvements, when noted. Based on Florida case law (State Road Dept. v. Stack, 231 So.2d 859 FL 1<sup>st</sup> 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.*

## **EFFECTIVE DATE OF THE APPRAISER'S OPINION**

August 15, 2008

## **DEFINITION OF FEE SIMPLE INTEREST APPRAISED**

Fee simple interest is defined as an "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," as excerpted from The Appraisal of Real Estate, 12<sup>th</sup> Edition, copyright 2001, p. 69.

This appraisal focuses specifically on only the unencumbered fee simple interest associated with the various components which make up the USSC land holdings. No encumbrances resulting from leases, easements (either recorded or unrecorded), encroachments, mortgages, mineral interests owned by or controlled by others, or any other restrictions, other than typical restrictions imposed by the various counties, state or federal governmental agencies, have been considered when developing these value estimates.

No personal property, trade fixtures, intangible items, or business interests are considered or included in these value estimates. The appraiser is aware of no easements, restrictions, encumbrances, leases, reservations, covenants, contracts, declarations, special assessments, ordinances, or other items of similar nature, other than those specifically addressed within this appraisal report, and none are considered or reflected in our value estimates. No fractional interest, partial interest, leasehold or lease fee interest or other divisions in the property ownerships have been considered or reflected in this appraisal. This appraisal also does not consider mineral interests which may or may not be controlled by others.

## **IDENTIFICATION OF EXTRAORDINARY ASSUMPTIONS**

This appraisal is completed by adopting certain assumptions which may have an impact upon the final value conclusions. These assumptions are called "Extraordinary Assumptions" and are considered to be necessary foundational elements of the analysis, recognizing that there are a number of factors associated with this appraisal assignment which cannot be finitely identified or absolutely determined as of the date of this appraisal. Extraordinary assumptions are commonly adopted by real estate appraisers when valuing properties where some uncertainty exists with regard to specific components or elements of the properties being appraised.

An extraordinary assumption is defined as an assumption which is directly related to a specific assignment which, if found to be false, could alter the appraiser's opinions or conclusions, as excerpted from USPAP 2008-09 Edition, Appraisal Foundation, Page U3.

Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal or economic characteristics of the subject property, or about conditions external to the property, such as market conditions, trends, or about the integrity of the data used in the analysis.

The following represent extraordinary assumptions which have been adopted by the appraiser when performing this valuation service.

### **1. PROJECT INFLUENCE**

Our client has requested that this appraisal be performed, and that the final value estimates be developed, by excluding any and all positive or negative market impact which resulted from the public's knowledge of the project identified as "The Proposed Purchase of Any Assets of the United States Sugar Corporation." This assumption results in the appraiser's disregarding of any market impact which may or may not have been caused by the knowledge of the proposed purchase of all real property and assets owned by the United States Sugar Corporation.

### **2. ACCESS**

To fulfill the stated purpose of this appraisal, our analysis has adopted the extraordinary assumption that all parcels which are the subject of this appraisal possess adequate physical, as well as legal access to allow that parcel to be used in a manner consistent with its highest and best use.

## **IDENTIFICATION OF EXTRAORDINARY ASSUMPTIONS, CONT'D.**

### **3. SOIL/CONTAMINATION/PRODUCTIVITY/ ENVIRONMENTAL CONDITIONS**

An extraordinary assumption has been adopted for the purpose of this appraisal assuming that no lands which are the subject of this appraisal are contaminated in any way or contain any substance which would adversely affect the use and/or marketability of the land. Furthermore, this assumption anticipates that no parcel or lands which are the subject of this appraisal would be impacted either positively or negatively by subsoil characteristics, environmental conditions, mineral deposits, or other unknown conditions (other than those referenced within this appraisal report) which would influence the value or utility of the land.

We have proceeded with the evaluation of the agricultural land components by analyzing various areas based upon very general assumptions of productivity reported by various market participants. Productivity of agricultural lands oftentimes varies between parcels or farms due to varying soil characteristics such as depth of soil, soil profile, elevation and other geographical considerations. The appraisers have formally requested that USSC provide historical production figures, as well as additional information identifying soil depths or other unique features. This information has not been provided as of the date of the writing of this appraisal report. We have, therefore, proceeded with this assignment based upon information available at this time, however we reserve the right to revise our value estimate should additional information pertaining to the condition of the soil or the productivity of various components of the land be made available.

### **4. WATER RESOURCE**

This extraordinary assumption recognizes that many of the lands which are the subject of this appraisal are used in an agricultural capacity which requires water for crop irrigation and production. This assumption specifically anticipates that any wells or water resources which are currently permitted to support agricultural production may continue to be used in the foreseeable future, and that the extension of any permits could be granted without significant change in capacity or operating condition.

## **IDENTIFICATION OF EXTRAORDINARY ASSUMPTIONS, CONT'D.**

### **5. CONTINUED RELATIONSHIP BETWEEN SUGAR MILL & AGRICULTURAL LANDS**

The sugarcane acreage and the Clewiston Mill will continue an uninterrupted, interdependent relationship if the highest and best use of the property is consistent with agricultural production. Sugarcane will be purchased by the mill at the same market prices paid to independent growers. The significance of this assumption specifically relates to the acknowledgement that USSC will not cease operations of its mill, thereby creating an excess supply of land which would exceed current demand for alternative agricultural uses.

### **6. CITRUS GROVES CONTINUED RELATIONSHIP WITH CITRUS PRODUCTION PLANT**

The citrus acreage and the Southern Gardens Citrus processing plant will continue operations with fruit purchased by the plant at the same market prices paid to independent growers. This extraordinary assumption affects the value estimate for the independent citrus grove, to some degree, recognizing that the three Southern Gardens Groves properties lie in close proximity to the citrus processing plant and, therefore, enjoy some economic benefits due to this locational advantage.

### **7. LANDS SUITABLE FOR LIMESTONE ROCK MINING**

Those lands currently identified as the Stewart Mining Industries parcel and the land leased to Florida Rock Industries, identified as Lake Harbor Quarry, will likely be permitted by all necessary governmental agencies to allow for limestone excavation. This extraordinary assumption, which differs from the assumption upon which the prior appraisal was developed, anticipates that within the foreseeable future, there is a reasonable probability that all necessary permits will be granted to parcels of land which have historically been used for agricultural purposes, which will then allow these tracts to be used for the excavation of limestone. Effectively, this represents a change in highest and best use, and an opportunity for these lands to be classified as transitional.

## **SCOPE OF WORK PERFORMED**

This appraisal assignment involves the evaluation of multiple parcels located throughout the state of Florida in Palm Beach, Hendry, Glades and Gilchrist Counties. These parcels are owned by the United States Sugar Corporation, as well as one of its subsidiaries known as the Southern Gardens Groves Corporation. Portions of these lands may be considered for purchase by The South Florida Water Management District.

Most of the parcels which are the subject of this appraisal have been historically used for agricultural production, with the predominant use related to the growing and processing of sugarcane, as well as the growing and processing of citrus products. The total size of all lands appraised and considered in this appraisal assignment is approximately 182,500± acres.

This appraisal is prepared based upon assumptions which differ from those assumptions incorporated into our first appraisal of this same land component. Within this appraisal, our value estimate gives consideration to the independent value of these lands and does not value the land as if a significant portion of the total holdings must continue to be used for the growing of sugarcane to support existing USSC production mills. While the appraisal does anticipate that much of the land would remain in sugarcane production in the immediate future, we have also recognized that alternative agricultural uses and/or transitional uses may be appropriate for certain components or portions of the property. This appraisal does not reflect our estimate of the current market value of these lands based upon a liquidation value or the sale of the properties under any condition of quick sale. We have anticipated and have reflected in our value conclusions the consideration of the current market conditions, which can best be described as distressed. Anticipations are that an extended marketing period would most probably apply to many of the components or lands included within this appraisal due to current market conditions.

When completing this appraisal assignment, the appraisers have first identified the problem to be solved which is, at the request of our client the South Florida Water Management District, to estimate the current market value of the unencumbered fee simple associated with all lands owned by USSC and the Southern Gardens Groves Corporation. While the majority of the parcels appraised are considered to be unimproved except for typical agricultural land improvements, there is one significantly improved property which is the special-purpose citrus nursery located in Gilchrist County, FL.

## **SCOPE OF WORK PERFORMED, CONT'D.**

The scope of work involved when completing this appraisal assignment required that the appraisers give consideration to the various land components owned by USSC. This was considered to be necessary recognizing that certain components had differing highest and best use opportunities based both on historical and possible future use. We have also recognized when analyzing the various subject parcels that productivity of agricultural lands varies dependant upon location and soil type. Productivity has been used as a further basis for collectively grouping lands which are the subject of this appraisal.

One such collective grouping has been classified as "transitional" which refers to lands or parcels where, due to locational characteristics, Comprehensive Land Use Plan, zoning designations or other factors, one might expect the lands to be used for alternative uses other than for agricultural production. The United States Sugar Corporation has historically used its lands for a variety of purposes and continues to explore alternative uses which would be considered more productive. Historical examples of other uses which have been pursued by the United States Sugar Corporation and which will be considered in this appraisal for various component parts of the holdings include possible development and sale of residential homesites and the sale of lands considered to have potential for future industrial or commercial use. Approximately 13,000± acres of lands classified as transitional are, by special assumption, considered to be permittable to allow for the extraction of limestone rock materials. Transitional lands are considered to be those which have a highest and best use related to some alternative use other than agricultural production.

The appraisal problem also involves the identification of certain assumptions which must be incorporated into the appraisal, recognizing that in many instances, certain factors are not available to fully describe each and every parcel which is the subject of this appraisal. For example, no specific surveys have been provided when valuing most parcels appraised; therefore, the identification of easements, encroachments, or specific delineation of boundaries is not available. Title searches, environmental audits, soil tests, and other due diligence work which has yet to be performed may reveal characteristics of various parcels which could require further evaluation, if made available. We have also not had the benefit of any work performed to identify the environmental characteristics of properties. The extraordinary assumption upon which this appraisal is founded anticipates that no parcel will be impacted by environmental restrictions which would prohibit that parcel from being used in a manner consistent with the highest and best use identified within this appraisal.

## **SCOPE OF WORK PERFORMED, CONT'D.**

The subject parcels included within this appraisal have been identified on documents prepared and provided by the United States Sugar Corporation; the South Florida Water Management District; various county governmental agencies, including Property Appraiser offices, and by various aerial maps, drawings and other information provided to assist the appraisers.

Our client has requested that this appraisal be prepared in compliance specifically with the Uniform Standards of Professional Appraisal Practice (USPAP 2008-2009 Edition) prepared by the Appraisal Foundation. This appraisal is intended to be a complete appraisal presented in summary report format.

As such, a great deal of information will be retained within the appraisers' personal files, such as maps, drawings, parcel sketches, sales data and other information which has been developed and provided in the course of this appraisal assignment. Our client has received copies of these various documents and has oftentimes provided this information to the appraisers and, therefore, is fully informed with regard to all supporting information relied upon when completing this appraisal.

When completing this appraisal assignment, recognized appraisal techniques have been employed and relied upon for the purpose of valuing the various components which collectively make up the entire United States Sugar Corporation enterprise. The primary appraisal technique employed for the purpose of valuing the underlying land is the Sales Comparison Approach to value. In addition, both the Cost and Income Approaches to value have been employed when necessary, and when the development of these approaches adds to the reliability of the appraisal conclusions.

For example, the Cost Approach to value was thought to be most instructive when valuing the contributory value of improvements associated with a portion of the United States Sugar Corporation holdings located in Gilchrist County. The Income Approach to value was employed to provide an indication of the value of the citrus groves owned by the Southern Gardens Groves Corporation.

## **SCOPE OF WORK PERFORMED, CONT'D.**

We have identified the subject of this appraisal based upon information provided by the United State Sugar Corporation. Individual parcels were oftentimes identified based upon property appraiser tax identification numbers. These parcels numbered more than 700 and were collectively grouped by the South Florida Water Management District into "SC-100" parcel numbers. These aggregated and defined parcel numbers developed by SFWMD have been relied upon for the purpose of identifying specific parcels which are the subject of this appraisal.

When first developing an understanding of the problem to be solved and the scope of services being requested in this appraisal assignment, we have had the opportunity to meet with our clients, the intended users of this appraisal report. Representatives of the United States Sugar Corporation were also present at this meeting. These meetings provided significant opportunities to better understand special concerns relating to issues associated with this evaluation.

We have, in a prior appraisal assignment, valued the subjects of this appraisal based upon their contribution value to the continuing and ongoing United States Sugar Corporation enterprise. In this, the most recent and current appraisal, we have considered the lands as "stand alone" components and have not assumed that any of these components would be required to be used only to fuel the demand by USSC mills for agricultural product. We have been informed by the firm of Duff & Phelps that there would not be the requirement to utilize USSC lands to grow sugarcane to fuel the mills, as raw cane can be imported efficiently and then processed at the USSC mill. This change in appraisal assumptions requires that the appraisers further analyze the highest and best use of various components which now would not be required to support ongoing USSC business activities.

The problem to be solved when completing this appraisal assignment did not include an estimate of the market value of the individual parts as if they were to be sold based upon the assumption that the United States Sugar Corporation would cease all operations and then liquidate the components, including the land.

In the course of this assignment, we have also found it necessary to employ other experts who specialize in the evaluation of citrus groves. We have discussed with our clients and the intended users of this appraisal report the necessity of including these experts to assist us in producing a credible and competent appraisal of these component parts. We wish to acknowledge the professional contributions of William C. (Billy) Bennett, MAI and Clifford M. Bowen, Jr., SRA, IFAS.

## **HIGHEST AND BEST USE DEFINITION**

"Highest and best use is the reasonably probable and legal use of vacant land or an improved property that is physically possible, legally permissible, appropriately supported, financially feasible, and that results in the highest value," as excerpted from The Appraisal of Real Estate, 12<sup>th</sup> Edition, copyright 2001, p. 305.

When appraising the various components which are the subject of this appraisal, individual highest and best use analyses will be considered and identified within subsequent sections of this appraisal report.

## **HISTORY AND ANALYSIS OF MARKET AREA**

The general market area defined for the purpose of this appraisal consists predominantly of lands lying in the center of the southern portion of the State of Florida, with emphasis placed upon those areas surrounding Lake Okeechobee. This entire area has historically been used predominantly for agricultural production, including sugarcane, cattle ranching, citrus groves, row crops, tree farms, sod production and other associated uses. A number of small towns or communities lie in close proximity to Lake Okeechobee and effectively surround the lake. To the north of Lake Okeechobee is the community of Okeechobee; the town of Lakeport lies to the western side of the lake; Moore Haven is positioned on the southwestern side of the lake; and the community of Clewiston, which is the home of the United States Sugar Corporation, is located along the southern portion of the lake. Additional communities located within the subject market area include Lake Harbor, South Bay, Belle Glade and Pahokee.

A more condensed market area considered when completing this appraisal focuses predominantly on lands lying in relatively close proximity to the communities of Moore Haven, Clewiston, South Bay, Belle Glade, Pahokee and Canal Point. These communities effectively lie within the heart of those lands owned by USSC.

A brief description of each of the communities surrounding Lake Okeechobee is found on the following pages.

## **HISTORY AND ANALYSIS OF MARKET AREA, CONT'D.**

### **CLEWISTON**

Clewiston, "America's Sweetest Town," was developed in the 1920's, incorporated in 1925, and occupies 4.57 square miles in Hendry County, Florida. Clewiston is located 60 miles east of Fort Myers on the Gulf of Mexico and 60 miles west of Palm Beach on the Atlantic Ocean, on the southwest shore of Lake Okeechobee, the second largest fresh water lake in the United States. Clewiston has a protected boat basin with many wide boat ramps and spacious parking for easy access to Lake Okeechobee.

When completing this appraisal, we have valued lands based upon their highest and best use. A significant segment of the parcels appraised has been considered to have a transitional use where the highest and best use of the property may, at some future time, be related to uses other than agricultural production. A significant portion of those lands classified as "transitional" are located either within or in close proximity to the community of Clewiston.

### **MOORE HAVEN**

Moore Haven is the county seat of Glades County, Florida. As of the 2000 census, the city had a total population of 1,635, and by 2004, the population recorded by the U.S. Census Bureau was 1,726. Moore Haven is located on the southwest shoreline of Lake Okeechobee, is predominantly rural in nature, and surrounded by agricultural uses mostly related to the production of sugarcane. Significant land holdings by USSC lie in close proximity to the Moore Haven community. Upon inspection, these lands were revealed to be predominantly and historically used for sugarcane production. No lands considered to be transitional were located within the Moore Haven community.

## **HISTORY AND ANALYSIS OF MARKET AREA, CONT'D.**

### **SOUTH BAY**

South Bay is located in Palm Beach County, Florida near the southern bank of Lake Okeechobee. According to the 2000 U.S. Census Bureau, South Bay's population numbered 3,856, and as of 2004, the population increased to 4,037 residents.

South Bay can be found in the heart of South Florida where two major roads, East-West SR 80 and North-South US 27, intersect. Our inspection of this community on several occasions revealed it to be predominantly supported by agricultural production, specifically the growing of sugarcane. Soils within this area traditionally consist of heavy black muck, which is considered to be especially productive for sugarcane. Several residential communities have been developed within the South Bay area featuring modest homes occupied by workers supporting the agricultural industry. Our inspection of this area also revealed a stabilized market with no significant signs of growth and development anticipated as of the effective date of our analysis. Several properties considered to be transitional in nature were located in close proximity to the South Bay community. These lands were believed to have future potential for residential type development.

### **BELLE GLADE**

Belle Glade is located in Palm Beach County, Florida on the southeastern shore of Lake Okeechobee. This community is accessible from US 27 or US 441, and lies approximately 45 miles west of Palm Beach and the Atlantic Ocean. The population was 14,906 at the 2000 U.S. census and increased to 15,423 in 2005. Belle Glade (and the surrounding area) is sometimes referred to as "Muck City" due to the large quantity of muck (soil), in which sugarcane grows, found in the area. Our inspection of this community suggests that it is best described as rural residential, surrounded and supported by agricultural uses. USSC holdings within the Belle Glade area are predominantly used for the production of sugarcane.

## **HISTORY AND ANALYSIS OF MARKET AREA, CONT'D.**

### **PAHOKEE**

Pahokee is located on the shore of Lake Okeechobee in Palm Beach County, Florida. While traveling through and inspecting this component of the subject market area, we discovered Pahokee to be severely distressed. Many of the commercial businesses have been boarded up, and it appears that damage caused by previous hurricanes, in many cases, has not yet been repaired. Growth and development within this area would not be foreseen in the immediate future, or as of the effective date of this appraisal. The population of Pahokee numbered 5,985 during the 2000 U.S. Census and as of 2004 had increased to 6,459. Our inspection of the Pahokee community revealed it to be significantly distressed.

This community is effectively surrounded by very productive agricultural lands in that the depth of the muck within this location is superior to the depth of the soil in other areas around Lake Okeechobee. Pahokee also enjoys a significant agricultural advantage in that its location at the southeast corner of Lake Okeechobee provides a warming effect which enhances the opportunities for agricultural production on lands lying in very close proximity to the lake, i.e. within 1½ to 2 miles. Values for agricultural lands within the Pahokee area, as well as to the east, have traditionally exceeded prices paid in other alternative locations. USSC has a significant ownership interest in lands lying within this market area.

### **CANAL POINT**

The unincorporated community of Canal Point is a census-designated area in Palm Beach County, Florida. Almost the entire Canal Point population is involved in agriculture, most of which are independent farms, or employees of local sugar co-operatives, the largest of which are USSC, The Sugar Growers Cooperative, and Florida Crystals Corporation. As of the 2000 U.S. Census the population numbered 525. This community and surrounding area also enjoy significant productivity related to the soil or muck depth which is considered to be quite favorable. Our inspection revealed this area to be predominantly agricultural in nature, with sugarcane being its primary crop. We did observe other alternative agricultural uses within this area, including tree farms and row crop production. Certain lands identified as transitional and owned by USSC lie proximate to Lake Okeechobee within the Canal Point community.

## **HISTORY AND ANALYSIS OF MARKET AREA, CONT'D.**

### **SUMMARY**

When completing our appraisal assignment, we have carefully considered the general market area in which the subject properties are located. This entire area is predominantly agricultural in nature, with the various small towns and communities contributing some opportunities to have further development relating to transitional lands which may have a highest and best use other than agricultural. The unique character of this market area, with its reliance upon agricultural type uses, suggests that comparable sales relied upon for the purpose of our land valuations would most logically come from and be limited to these areas. Our review, inspection and analysis of this market area suggest that it will remain predominantly agricultural in nature within the foreseeable future. Even those lands identified within this appraisal as transitional would be expected to continue their use for agricultural production within the immediately foreseeable future. The current status of the local real estate market within this subject market area is considered to be negatively impacted by the recent downturn in the overall Florida real estate market comparable to many other locations throughout the state.

### **HISTORY OF SUBJECT PROPERTY**

The purpose of this appraisal is to estimate the current market value of the lands owned by the United States Sugar Corporation and its subsidiary, the Southern Gardens Groves Corporation. Our assignment is developed employing the extraordinary assumption that no project influence will be considered or reflected within our value conclusions. This extraordinary assumption results in a value estimate which is neither positively or negatively influenced by the public knowledge of the proposed acquisition of portions of the USSC holdings.

To better understand the interrelationship of the USSC assets, we believe it is important to provide an historical summary and review of the USSC enterprise. The USSC, along with Florida Crystals Corporation and the Sugar Cane Growers Cooperative, dominate much of the subject market area with the growing of sugarcane. USSC currently utilizes approximately 130,000 to 150,000 acres to grow sugarcane within the subject market area. In 1998, USSC constructed the Clewiston refinery which was subsequently upgraded in 2007 for the purpose of enhancing the efficiency of production of refined sugar.

## **HISTORY OF SUBJECT PROPERTY, CONT'D.**

USSC also owns, through a subsidiary known as the Southern Gardens Groves Corporation, approximately 32,000± acres of citrus groves. These groves are identified as: the Devil's Garden Grove, the Dunwody/Alcoma Grove, and the Southern Citrus Grove. Collectively, these groves provide citrus which are used to produce a variety of products within the SGGC citrus processing plant. This plant is used predominantly for the production of orange juice, reportedly producing 120 million gallons annually.

The United States Sugar Corporation has continued to develop and diversify its holdings in order to respond to the ever-changing climate in Florida for agricultural products. Understanding that the profitability of sugarcane production has been declining, alternative uses have been considered and further diversification, through the sale of some assets, has occurred. The United States Sugar Corporation has sold residential and industrial properties which were not required for its production of agricultural products. USSC also recently sold the historic Clewiston Inn, which lies tangent to its executive office complex located in Clewiston, FL.

Further examples of USSC's continued effort to diversify are revealed by actions taken to develop several areas within its land holdings for the excavation of limestone. The United States Sugar Corporation owns approximately 7,600± acres located approximately 3± miles southwesterly of US 27 and south of Clewiston which have historically been used for sugarcane production. Our verifications and research conducted in the course of this assignment indicate that this land has a shallow overburden or soil depth and has been identified as being especially well-suited for future rock excavation. This site has been leased to Florida Rock Industries which, according to the Palm Beach County Public Records, will mine up to 100 acres per year for more than 71 years. In April 2008, the Palm Beach County Zoning Commission endorsed the plan for the excavation, which is identified as the Lake Harbor Quarry.

A second mining area suitable for limestone excavation is proceeding through the permitting process and is identified as the Stewart Mining Industries site. This approximate 5,519.93±-acre tract of land is located approximately 2± miles northerly of SR 80 and approximately 10± miles east of Pahokee. In May 2006, the Palm Beach County Commission recommended the adoption of a resolution for a Class A Conditional Use Permit to allow a Type 3B excavation.

## **HISTORY OF SUBJECT PROPERTY, CONT'D.**

To further examine the current status of this proposed mine, we have contacted the Florida Department of Environmental Protection who informed us that an Environmental Resource Permit has been issued for this site. Additional permits will be required, however, including an Industrial Wastewater permit and a Consumptive Water Use Permit from the South Florida Water Management District.

Our examination of this market area in the course of this assignment revealed that the area has remained stable and has shown very limited signs of growth or development for alternative uses. While the community of Clewiston has seen recent additions along its western edge where several hospitality facilities, fast-food restaurants and a Wal-Mart store have been constructed, little general growth of this community has occurred. Some residential development was apparent during the boom of 2005-2006, however, our conversations and verifications with knowledgeable market participants suggest that Clewiston, like many areas throughout the State of Florida, has seen a significant decline in demand for residential product as a result of the ongoing real estate recession.

Our appraisal anticipates that lands owned by USSC within the Clewiston community will, in some cases, have limited opportunities to transition to alternative uses at some future point in time. We, however, anticipate that the majority of the USSC landholdings will continue to be used for either the production of sugarcane or alternative agricultural uses within the immediately foreseeable future.

The community of Moore Haven remains a small and quaint agricultural community, and appears to be stable. Also, South Bay and Belle Glade appear to have changed very little in recent history. The general area of Pahokee appears to be in a state of distress, as our inspection of this area revealed many commercial buildings to be boarded up, and apparent hurricane damage to buildings has not been repaired since 2005. USSC has substantial holdings within these communities and has historically used this land for sugarcane production. While some areas within these communities may be considered as transitional, the majority of the land will, in our opinion, continue to be used as it has been used historically for agricultural production.

## **HISTORY OF SUBJECT PROPERTY, CONT'D.**

Our review of the subject market area in which USSC owns most of its lands suggests that future trends will support the rural nature of the area which will be dominated by continued agricultural production. The predominant crop in this area has historically been, and will most probably continue to be, sugarcane. While current reports suggest that the profitability of sugarcane has continually declined, we believe it is logical to conclude that sugarcane will continue to be produced in this area to fuel the existing mills which are owned not only by the United States Sugar Corporation, but also by others as well.

Our analysis of this area did reveal that uses other than cane production, such as alternative agricultural uses do exist. The limited margins of profit associated with the growing of sugarcane has, in our opinion, caused a shift from sugarcane production to alternative crops, such as tree farming, sod production and row crops. Prices paid for land to be used for alternative agricultural uses clearly exceed those prices which can economically be supported by sugarcane production. Alternative agricultural uses as referred to in this appraisal do not include lands identified as transitional. We believe that USSC will have the opportunity to use or to market components of its total holdings which will ultimately be used for alternative agricultural production. Our analysis suggests that there is an historical basis for such utilization within the subject market area.

We have also reviewed a number of documents suggesting that there is considerable interest in this market area for crops which would support the production of Ethanol. Specifically, the production of sweet sorghum has been recently reported in newspapers as a viable alternative crop which has yet to be tested, but which may prove to be economically feasible for much of the land that has been historically used for sugarcane production. As of the date of the writing of this report, any significant transition of this agricultural land to major users such as those who would be intending to produce Ethanol is considered to be quite speculative.

## DESCRIPTION OF USSC LAND COMPONENTS AND APPRAISAL PROCESS

When completing this appraisal assignment, we have recognized and employed those appraisal techniques which result in a credible estimate of the current market value of the various components of the USSC holdings. The Cost Approach has been employed when valuing the improvements associated with the special-purpose citrus nursery located in Gilchrist County. The Income Approach has been employed to value the citrus lands and independent citrus groves which make up some 32,000± acres of the USSC holdings. The predominant appraisal technique employed for the purpose of valuing the majority of the land associated with this appraisal is the Sales Comparison Approach.

Portions of the USSC holdings have been classified as "transitional" and make up approximately 6,264± acres of the total ownership interest. These lands, in our opinion, would have the possibility of being utilized for residential, commercial, low utility, or low intensity type uses. An additional approximate 13,000± acres which have historically been used for agricultural production are considered to be transitional, anticipating by extraordinary assumption that there is a reasonable probability that this land will be permitted for future rock mining. Lands referred to as "transitional" in this appraisal are considered to have future potential for a highest and best use other than for agricultural production. Comparable sales researched within the subject market area which were used to value transitional lands include lands which have residential potential and lands which can be used for commercial or industrial activities. We have also researched additional sales to value those components of USSC considered to have potential for future rock mining, as well as lands which were identified to be of low or marginal utility. These include lands previously used for excavation of borrow materials or where elevation and topography make the land unsuitable for conventional forms of development.

When valuing the three subject improved groves operating for the purpose of producing round oranges, two primary appraisal techniques have been employed. The first is the Income Approach to value. In this approach we have considered the historical as well as projected production and income which each of the groves can produce and applied a process of Direct Capitalization to estimate the market value. These groves, which collectively make up approximately 32,000± acres of citrus, have also been valued using a Sales Comparison Approach to value. In this approach, the sales of improved groves having similar production capabilities have been researched, analyzed, and directly compared to various areas within the subject groves to estimate the current market value.

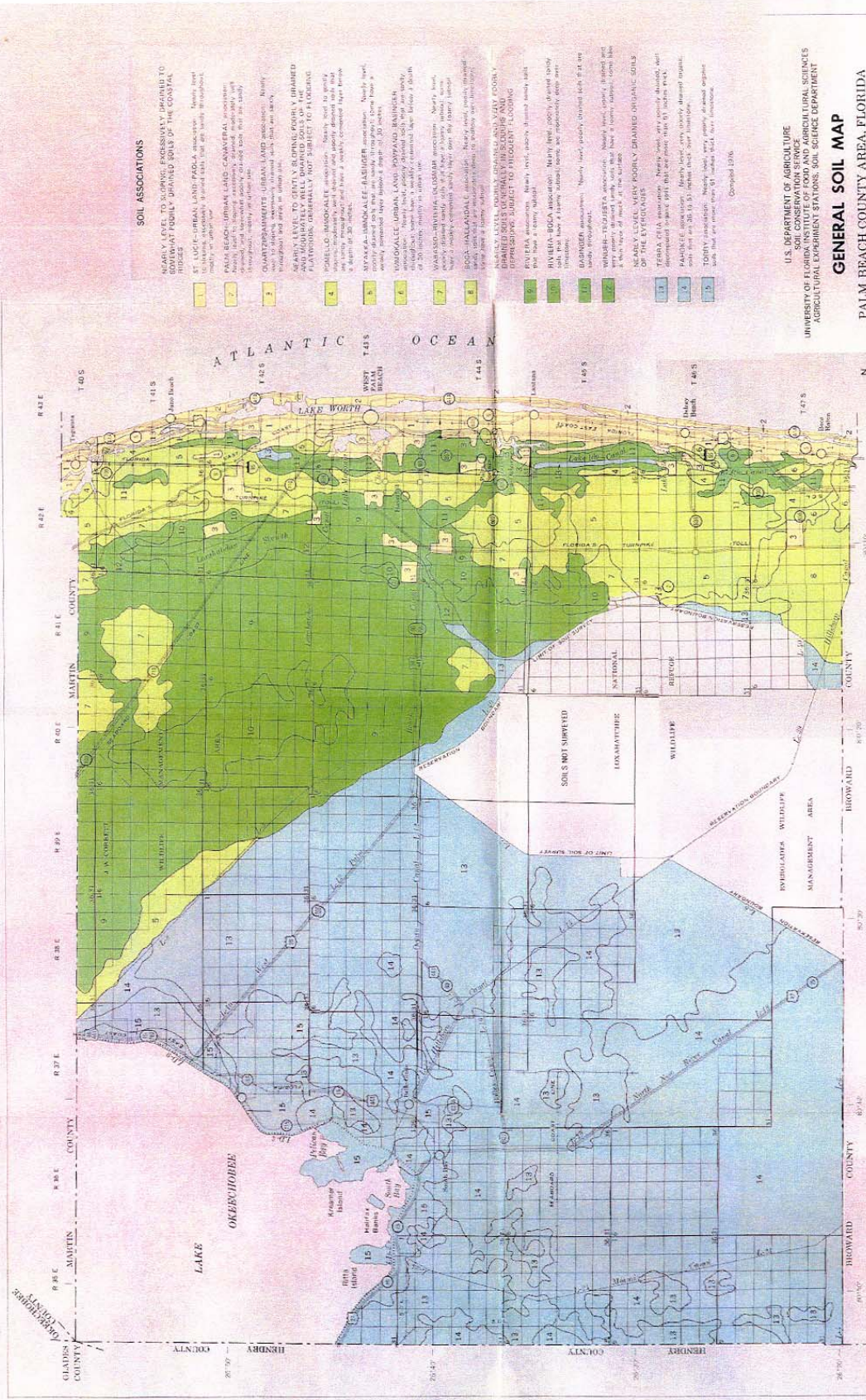
## **DESCRIPTION OF USSC LAND COMPONENTS AND APPRAISAL PROCESS, CONT'D.**

When valuing improved citrus lands where no trees currently exist (due to canker eradication), we have recognized that the improvements made to currently unplanted areas within each of the three citrus groves are superior to those typically found on agricultural lands, as swales, rows and canals have been constructed, and pumps and irrigation systems are in place. Oftentimes, the comparable sales upon which we have relied for this purpose are lands which have been historically used for agricultural production, but the degree of improvement is less than that for the citrus areas. Therefore, in many cases, the sales reflect prices considered to be low-range indicators of value for those areas within the three citrus groves identified as currently improved citrus lands which are not currently planted.

When valuing agricultural lands, we have divided the USSC holdings into various areas based primarily upon market reported productivity and soil type. The United States Sugar Corporation owns a significant number of acres of land throughout the market area. These lands, which are considered to be used predominantly for agricultural purposes and will continue to be used in that fashion, have been divided into various categories.

All intended users of this appraisal report are reminded again that the extraordinary assumption relating to soil contamination and productivity may significantly influence our final value conclusions. We have previously stated that we reserve the right to amend this appraisal in the event future production figures are provided to specifically demonstrate the productivity of the various components of the United States Sugar Corporation's agricultural holdings. If any parcel is found to be contaminated or contains subsoil conditions which would impact the utility of the land, we also expect significant changes to our market value estimates.

Our evaluation of the agricultural components which divide the land into three separate and distinct areas largely depends upon the general market reported productivity of these component parts. Specifically, lands lying easterly of Blumberg Road are reported to predominantly consist of mucky type soils. These areas are appraised anticipating some continual use of the land for sugarcane production to fuel the existing mills, however, recognizing that some of this land may also transition into alternative agricultural uses.



- SOIL ASSOCIATIONS**
- 1. **ST. LUCIE-URBAN LAND-PADUA** association. Nearly level, somewhat poorly drained soils that are heavy, clayey, and have a thin, dark gray surface layer.
  - 2. **PALM BEACH-URBAN LAND-CAMBERLA** association. Nearly level, somewhat poorly drained soils that are heavy, clayey, and have a thin, dark gray surface layer.
  - 3. **QUARTZSANDS-URBAN LAND** association. Nearly level, somewhat poorly drained soils that are heavy, clayey, and have a thin, dark gray surface layer.
  - 4. **FLORIDA LIME TO SILTY SILTY CLAY SILTY SANDS** association. Nearly level, somewhat poorly drained soils that are heavy, clayey, and have a thin, dark gray surface layer.
  - 5. **ST. LUCIE-URBAN LAND-PADUA** association. Nearly level, somewhat poorly drained soils that are heavy, clayey, and have a thin, dark gray surface layer.
  - 6. **YONKONKALE-URBAN LAND-POFFALO-BANISH** association. Nearly level, somewhat poorly drained soils that are heavy, clayey, and have a thin, dark gray surface layer.
  - 7. **WARREN-URBAN LAND-URBAN** association. Nearly level, somewhat poorly drained soils that are heavy, clayey, and have a thin, dark gray surface layer.
  - 8. **YONKONKALE-URBAN LAND-POFFALO-BANISH** association. Nearly level, somewhat poorly drained soils that are heavy, clayey, and have a thin, dark gray surface layer.
  - 9. **YONKONKALE-URBAN LAND-POFFALO-BANISH** association. Nearly level, somewhat poorly drained soils that are heavy, clayey, and have a thin, dark gray surface layer.
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U.S. DEPARTMENT OF AGRICULTURE  
 UNIVERSITY OF FLORIDA INSTITUTE OF FOOD AND AGRICULTURAL SCIENCES  
 AGRICULTURAL EXPERIMENT STATIONS, SOIL SCIENCE DEPARTMENT

**GENERAL SOIL MAP**  
 PALM BEACH COUNTY AREA, FLORIDA

Scale 1:100,000  
 1 0 1 2 3 4 Miles

Compiled 1976

**SECTIONALIZED**

6	6	4	3	2	1
7	6	9	10	11	12
13	14	15	16	17	18
19	20	21	22	23	24
25	26	27	28	29	30
31	32	33	34	35	36

Soils shown on this map are the result of a soil survey of the county of Palm Beach, Florida, conducted by the U.S. Department of Agriculture, Soil Conservation Service, in cooperation with the University of Florida, Institute of Food and Agricultural Sciences, Agricultural Experiment Stations, Soil Science Department, in 1976. This map is for general planning purposes only. For details on the use of specific soils, refer to the Soil Survey Report.

## DESCRIPTION OF USSC LAND COMPONENTS AND APPRAISAL PROCESS, CONT'D.

The second component of agricultural lands considered based upon soil characteristics are lands to the west of Blumberg Road. These lands are also suitable for sugarcane production but, due to their sandy nature, can also support other uses such as citrus groves and alternative agricultural uses.

The third area independently considered as a separate component of the USSC holdings includes lands lying to the east of US 27, running approximately from the South Bay community north to Pahokee and the Canal Point area, and lands east of those communities. Lands within this area are typically known by the market to be the most productive lands within the subject market area. This is due primarily to increased muck depth, resulting in an increase in the tonnage of sugarcane produced within this area. An additional advantage to some lands lying in very close proximity to Lake Okeechobee is the warming effect of the lake which enhances agricultural productivity and, therefore, increases value.

### **Lands Lying East of Blumberg Road**

The first area identified includes agricultural lands lying east of Blumberg Road and south of SR 80. Blumberg Road has historically been recognized by the real estate market as the line of demarcation between soil types which consists predominantly of muck soils and agricultural lands which are predominantly sandy in nature. Lands lying to the east of Blumberg Road oftentimes have varying depths of muck and may be used in the production of a variety of agricultural products. Examples of alternative uses within this area include alternative agricultural crops, such as row crops and sod fields, and also include transitional uses, such as the mining of limestone rock.

The majority of land lying east of Blumberg Road consists of muck soils which have been valued emphasizing and anticipating the continued USSC operation where the land is used for sugarcane production or other limited agricultural uses. As of the date of our inspection and the writing of this appraisal report, this area is primarily used for sugarcane production, however, we did also note the intermix of some alternative agricultural uses such as row crop and sod production.

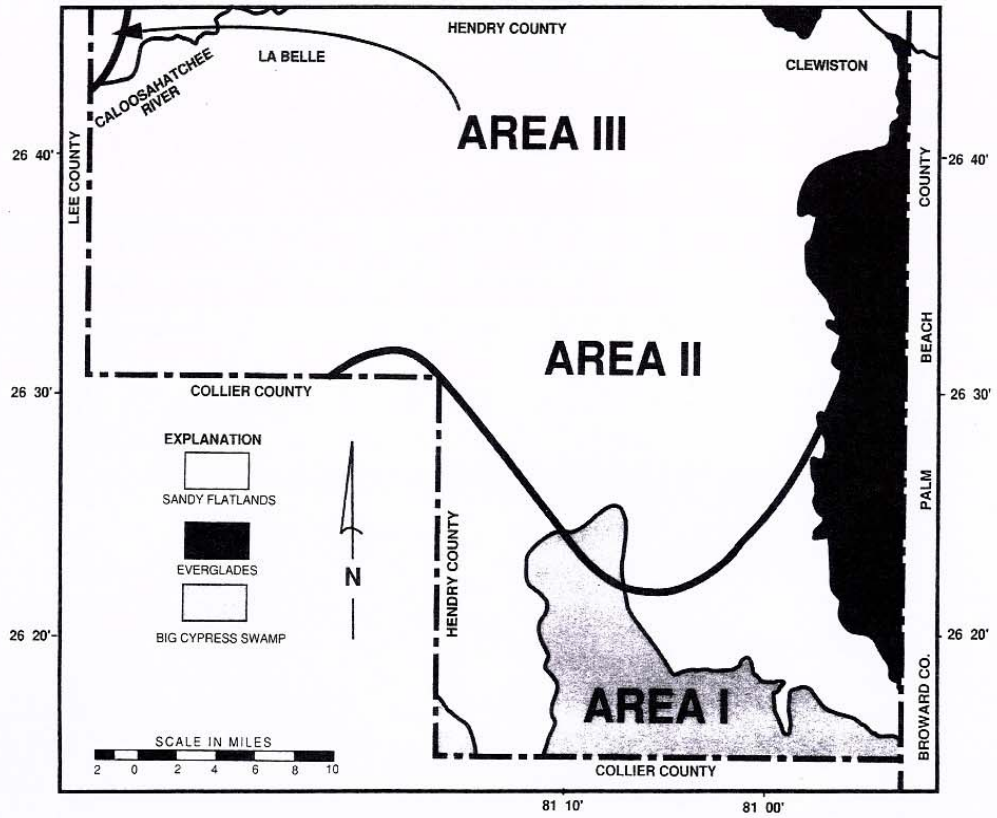


Figure 1.—Hendry County is in the Sandy Flatlands, Everglades, and Big Cypress Swamp physiographic areas and is divided into three areas characterized by differing sinkhole development.

HENDRY COUNTY  
SOIL MAP

**DESCRIPTION OF USSC LAND COMPONENTS AND APPRAISAL PROCESS, CONT'D.**

**Lands Lying West of Blumberg Road**

Based upon productivity and soil type, the second area of lands which have been independently valued lie west of Blumberg Road where the soil characteristics are more sandy and where, in addition to the growing of cane, other alternative agricultural uses are more common. These areas are most suitable for citrus production, cattle ranching, row crops, and possibly tree farms, as well as sugarcane production. We have also noted some sod production within this area. The western boundary of these lands extends past the intersection of SR 80 and US 27, which includes lands lying in close proximity to the community of Moore Haven. Traditionally, these lands have been used for agricultural production and would be anticipated to continue to be used in that fashion. These lands and agriculture areas have been valued employing the Sales Comparison Approach to value. Comparable sales relied upon for the purpose of this evaluation give consideration to both lands purchased for cane production as well as lands purchased for alternative agricultural uses.

**Lands Lying East of U.S. 27 - South Bay to North of Canal Point**

The third area which has been independently considered when valuing the agricultural components of USSC is represented by lands which have deep muck depths and location considered to be the most productive within the subject market area. These lands lie predominantly east of U.S. 27, around the community of South Bay to the south then run northerly along the eastern boundary of Lake Okeechobee and to the east, past the communities of Pahokee and Canal Point. Soils within this area are typically viewed by the market to be the most productive and, therefore, the most valuable agricultural land within the subject market area. The close proximity to Lake Okeechobee where the warming effects of the lake assist lands located within approximately 2 miles, further suggests that this area should be independently valued when estimating the total contributory value of all lands owned by USSC.

These agricultural lands have also been valued employing the Sales Comparison Approach to value. Consideration has been given to the productivity of the land and when possible, we have emphasized the sales of properties having similar locational characteristics and productivity. Verifications obtained in the course of this appraisal assignment clearly suggest that lands lying within this particular agricultural zone command prices greater than lands lying in less productive areas.

# **CITRUS GROVES**

**SOUTHERN GARDENS GROVES CORPORATION**

**(Devil's Garden Grove)  
(Dunwody/Alcoma Grove)  
(Southern Citrus Grove)**

**HENDRY COUNTY, FL**

## **SCOPE OF APPRAISAL SERVICE – SGGC GROVES**

This component of the appraisal develops a value estimate and fulfills the purpose of this assignment by carefully evaluating three independent citrus groves owned by Southern Gardens Groves Corporation, LLC. Each of these groves is located within Hendry County, FL, and represents part of the total holdings of the United States Sugar Corporation.

Prior to accepting this assignment, the appraiser has identified the problem to be solved and the purpose of this appraisal, and has disclosed to the client and intended users the appraiser's lack of recent experience in the appraisal of income-producing citrus groves where no alternative highest and best use, other than for agricultural citrus production, exists. During the first meeting to discuss this appraisal assignment, the client and appraiser agreed that the appraiser will take all appropriate steps to complete this assignment in a competent manner so that a credible appraisal, resulting in a well-supported value estimate of each of the citrus groves, will be produced.

When completing this appraisal assignment, the appraiser has taken all necessary steps in order to complete this assignment competently and has gained the necessary knowledge by working with other experts and appraisers who have the background and experience, as well as the knowledge, to value the citrus groves which are the subject of this appraisal. Specifically, the appraiser has employed, to assist in this evaluation, Mr. William (Billy) C. Bennett, MAI of Bennett Appraisal Company, to provide the necessary level of experience and expertise to complete the assignment. Mr. Bennett is a member of the Appraisal Institute, is a State-Certified General Real Estate Appraiser, and has specialized in the evaluation of citrus groves throughout central and southwest Florida for many years. The appraiser and Mr. Bennett have worked hand-in-hand through the entire appraisal process when performing the evaluation of each of the citrus groves. This work includes the inspection of the citrus groves, interviewing the managers and operators of the individual citrus groves, collecting and analyzing comparable sales information, inspecting comparable sales and the development of the necessary appraisal techniques which have been relied upon to accomplish the purpose of this evaluation.

**SCOPE OF APPRAISAL SERVICE – SGGC GROVES, CONT'D.**

Additional assistance has also been provided by Mr. Clifford M. Bowen, SRA, IFAS. Mr. Bowen is the principal of Agri-Property Consultants, Inc., and specializes in the evaluation of agricultural properties, including citrus groves and other Florida agricultural lands. Mr. Bowen has accompanied the appraiser during the inspections of several subject citrus groves and, based upon his observation, has provided information relating to the productivity of these groves. Mr. Bowen has provided information to further identify the appropriate methods of valuation, and has also assisted the appraisers in better understanding the comparability of sales of citrus groves used for the purpose of developing a value estimate.

Finally, an additional step has been taken by the appraiser to become fully familiar with the evaluation of citrus groves by reading reports prepared by others who specialize in the evaluation of citrus groves. Collectively, the steps taken provide the necessary knowledge to allow the appraiser to complete this portion of the appraisal assignment in a competent and credible manner.

When developing this appraisal assignment, we have first met with our clients and the representatives of the Southern Gardens Groves Corporation so that all parties involved might be fully informed of the characteristics of each of the citrus groves. Information obtained during these initial meetings provided an historical perspective of the groves and allowed the appraisers to request specific information from the grove managers. This information included production figures, expense data, grove condition, level of disease and other factors which have been relied upon for the purpose of developing our value estimates.

**SCOPE OF APPRAISAL SERVICE – SGGC GROVES, CONT'D.**

One of the most significant documents provided and relied upon was provided by United States Sugar Corporation officials and is identified as the "USSC Property Information Sheet/Citrus Groves". The information contained in this summary provides the gross acres of each of the individual groves, the acres developed for citrus, the current grove acres, the net planted tree acres, and the current tree count. Additional information has been provided on this summary sheet including: age of the trees, rootstocks, irrigation types, historical production in boxes, projected production, level of greening disease, area of impact, and number of trees eliminated due to diseases. This summary sheet also specifies the number of acres affected by canker disease, as well as the acres which have been eradicated.

A more complete understanding of the condition and productivity of each of the groves has been gained during our inspection of each of the three citrus operations. The Dunwody/Alcoma Grove and the Devil's Garden Grove were inspected on July 22, 2008 with officials from the Southern Gardens Groves Corporation. This inspection allowed the appraisers to more fully understand the operation and history of each of these groves, and also provided further information supporting and explaining projections and future plans for continued use, development and the production of each of the groves.

The Southern Citrus Grove was inspected on July 30, 2008 with the grove manager. During the inspection, information was provided to further identify the characteristics of the groves, such as variety type, root stock, level of disease, and information relating to historical production. In addition, we were also provided with a map which located the approximate 2,000± acres of young trees which have been replanted within this grove.

When completing this appraisal assignment, the appraisers have developed and appropriately applied all appraisal techniques required in order to produce a credible value estimate for these properties. The primary appraisal techniques employed in this case are the Sales Comparison and Income Approaches to value. The Cost Approach to value, while considered, was not relied upon in this analysis due to the fact that the groves consisted largely of well-established or older trees, the depreciated cost of which could not be reasonably determined.

**SCOPE OF APPRAISAL SERVICE – SGGC GROVES, CONT'D.**

Sales information to be used in the Sales Comparison Approach has been developed through a variety of sources. Many of the sale transactions analyzed were collected by consultants employed to assist us in this evaluation. We also obtained sales from other appraisal offices, articles, clippings from various publications, and our independent research throughout the southern portion of the state of Florida. Emphasis has been placed upon sales involving transactions where citrus groves have been sold under normal market conditions based upon buyer and seller anticipations of the continued use of the grove for citrus production.

Important to note is the reliability of sales employed based upon conditions of sale and recent market trends. Understanding that Florida has recently experienced a period of extreme speculation, where prices escalated at unprecedented rates, we have attempted to carefully consider only the sales of citrus groves where the purchaser was not speculating that some alternative use was available for the property within the immediately foreseeable future.

Many of the sales occurring in 2004, 2005 and into 2006 were, based upon our verifications, transactions which reflected market anticipations of future highest and best uses not related to citrus production. These sales, in our opinion, would not be comparable to the subjects, as we have concluded that the highest and best use of each of the three subject groves is to continue their historical use, which is for citrus production, or for some alternative agricultural use. Furthermore, there would appear to be no significant demand for more intensive, i.e. residential development, at any of these subject grove locations, as of the effective date of this appraisal.

Each of the comparable sales relied upon has been carefully analyzed to provide an independent value indication for one or more of the component parts of each of the three subject citrus groves. It is important to note that the estimated value of the citrus crop associated with any sale having a crop at the time of sale has been estimated and deducted from the indicated sales price so that the value indicated by this sale excludes the value of any existing crop. The citrus crop is considered to be personal property and is not made part of this appraisal.

**SCOPE OF APPRAISAL SERVICE – SGGC  
GROVES, CONT'D.**

The second appraisal technique relied upon for the purpose of valuing the citrus groves is the Income Approach to value. This approach to value is considered to produce a reliable indication of value for two of the three groves, as these groves appear to be economically viable citrus-producing groves which would be expected to sell based upon the market's anticipation of the net benefits in the form of income which the properties could produce in the foreseeable future.

Net income estimates have been projected when developing this approach after considering projected costs, as well as operational and caretaking costs reported by the citrus industry for comparable groves located throughout the state of Florida. Overall rates have been estimated by extracting similar rates from comparable sales. These extracted rates are then used in a direct capitalization process when developing the Income Approach appropriate for each of the citrus groves.

Each of the three citrus groves also includes lands which are improved, but are not currently planted, due to the trees which have been eradicated as part of the state's canker program. These lands identified on the summary sheet provided and classified as "current unplanted citrus" (canker eradication), have been valued based upon their contributory value to the overall grove. While completing this assignment, we were informed that a significant number of trees required eradication due to canker disease. These areas, in some cases, remain fallow, and in other instances have been replanted with sugarcane. Any area classified as "current unplanted citrus" has been valued employing the Sales Comparison Approach to value, recognizing that this land has the capacity to be replanted or used in an alternative agricultural fashion.

## **MARKET AREA DATA – CITRUS GROVES**

The general market area considered when completing our evaluation of the three subject citrus groves includes predominantly lands located in the southwestern portion of the State of Florida. Our analysis suggests a commonality of citrus operations within this area with Desoto, Hardee, Highlands, Charlotte, Lee, Glades, and Hendry Counties. Within these areas we have focused our analysis and research on the sales of properties where no speculative demand has influenced the price paid and where the productivity of the grove represents the primary emphasis of those buying or selling such properties.

The subject citrus groves are located to the south and west of the community of Clewiston within Hendry County, FL. The largest of these groves, being the Southern Citrus Grove, lies southerly of Clewiston, approximately 28± miles, and just to the west of the western boundary of Palm Beach County, FL. The Dunwody Alcoma Grove lies approximately 10 miles west of Clewiston, along both the northern and southern sides of SR 80/US 27. The Devil's Garden Grove lies approximately 30± miles southwest of Clewiston.

Each of these groves is located within a market area which has traditionally been used for agricultural purposes. RWA Consulting, Inc. has prepared a draft study entitled "Hendry County Rural and Agricultural Land Study" dated May 2008 which describes Hendry County as a rural agrarian county characterized by small urban areas surrounded by vast expanses of open space. The open space is made up of farmlands, citrus groves, sugarcane fields, pastures, woodlands, marshes, wetlands, lakes, ponds, and significant conservation lands. Urbanized or developed lands account for less than 4% of the county's land mass, while agricultural uses comprise over 70% of all county lands. Our inspection also revealed areas which were developed with rural residential homesites. The predominant economy for this area has historically been agricultural, and anticipations are that this trend will continue in the foreseeable future.

## **MARKET AREA DATA – CITRUS GROVES, CONT'D.**

The subject market area has been impacted, to some degree, by the general Florida real estate market which has recently experienced an unprecedented spike in the appreciation of property values caused and largely driven by speculation that values would continue to rise due to demand for lands to be used primarily for residential purposes. While much of this Hendry County market area in which the subject citrus groves are located is considered to be very rural in nature, we have found evidence of property values increasing from 2004, 2005 and into 2006. Extreme examples are limited primarily to lands which were not purchased for future agricultural utilization. Our analysis of the market within the subject area tends to indicate that lands which have a highest and best use for agricultural production, including citrus lands, would in most cases not have been subjected to the extreme speculation experienced by other land classes.

To summarize, the subject citrus groves are located within a market area defined to be the southern and central, as well as western, portions of the state of Florida. This area is anticipated to remain stable within the foreseeable future. This market area is not expected to experience pressure or demand from speculative purchasers anticipating alternative uses were the existing citrus groves would be converted from agricultural use. With consideration given to the extraordinary assumption relating to project influence, we anticipate that the general area will remain stable and continue to be used predominantly for agricultural production, such as sugarcane, citrus, sod fields, field-grown crops, and other alternative uses, including cattle or ranch operations.

## **IDENTIFICATION OF SUBJECT PROPERTY AND PROBLEM TO BE SOLVED**

Within this section of the appraisal, the analysis focuses specifically upon lands owned by the Southern Gardens Groves Corporation which have historically been used for the production of "round oranges" used for juice production. There are three primary groves which are the subject of this component of the appraisal: Southern Citrus Grove; Devil's Garden Citrus Grove; and the Dunwody/Alcoma Citrus Grove.

The problem to be solved in this particular instance requires that the appraiser values each of these groves in its "as is" condition, where the unique characteristics of each property are reflected within the final value estimate.

We have accomplished this value estimate by considering two primary appraisal techniques which are the Income Approach and Sales Comparison Approach to value. While considered, the Cost Approach to value has not been emphasized as it was not thought to provide a meaningful indication of value of any of the subject groves. The Income Approach to value was considered to be especially significant as it allows us to test the economic feasibility of each of the groves.

Careful consideration has been given to information provided in the course of this assignment by the Southern Gardens Groves Corporation. This information suggests and projects future production of each of the groves, and further identifies the conditions of the groves with respect to existing diseases. Cost of caretaking has also been estimated, based upon reported historical costs, as well as market oriented costs related to caretaking of other groves located throughout the state of Florida. Additional information contained on the summary sheet provided identifies the quantity and variety of the citrus found within each of the groves. This information is critical to our final value conclusions and is relied upon for the purpose of estimating the current market value, via both the Sales Comparison and Income Approaches to value.

The problem to be solved in this instance also gives consideration to possible changes in highest and best use within areas improved as citrus groves and certain risks associated with the ongoing operations.

## **HISTORY OF SUBJECT CITRUS GROVES**

The land associated with each of these three groves has historically been used for agricultural purposes until converted into citrus production. The beginning dates for citrus production for the groves range from approximately 1972 to a current date, as portions of the groves have recently been replanted.

Researching Hendry County public records, we find no indication of prior sales of these properties occurring within the past five years. We have further confirmed that the properties have not been listed and are currently not listed, according to officials of the Southern Gardens Groves Corporation.

Were it not for the proposed purchase of the lands by the South Florida Water Management District, managers of the groves indicate, and our inspections confirm, that these improved lands would continue to be used for citrus production, and that trees damaged by disease or recent hurricanes would be reset in order to attempt to re-establish the productivity of the existing operations. During our inspection of these groves, we observed continuous and aggressive caretaking which would assure the viability of the groves and enhance the economic opportunities offered through citrus production.

We have further verified that replanting many areas of the groves impacted by either disease or hurricanes has been significantly delayed due to the lack of certified nursery stock available within the state of Florida. This is considered to be significant in that the purpose of this appraisal is to estimate the current market value of the United States Sugar Corporation's real estate holdings, including the recently-constructed and developed 80-acre citrus nursery located within Gilchrist County, FL. Our inspection of this facility revealed it to be an integral part of the combined economic entity which includes the Southern Gardens Groves Corporation division of the United States Sugar Corporation. This recently-developed state-of-the-art citrus nursery, which will provide the opportunity to rehabilitate certain portions of each of the groves, further demonstrates the interrelationship of the various component parts of the real estate holdings of USSC.

## DESCRIPTION OF SUBJECT CITRUS GROVES

### DEVIL'S GARDEN GROVE

Devil's Garden Grove is considered to be the "showpiece" of the three groves currently owned and operated by the Southern Gardens Groves Corporation. This grove contains a total 5,439± gross acres, of which 3,368± acres were historically developed for citrus production. Records indicate that a total of 62± acres remain unplanted due to canker eradication and await re-sets. There are 3,056± acres which make up the "net planted tree acres", and some 489,165± total trees within this area.

Approximately 94% of trees in the Devil's Garden Grove are 10 years or older. Approximately 3% of the trees are 6-9 years old, with the balance of the trees being 1-5 years, which makes up approximately 3%.

Root stock within this grove consists of approximately 55% Swingle, 24% Carrizo, 6% Cleopatra, and 15% other rootstocks. Approximately 30% of the grove consists of early-mids, with varieties primarily being Hamlin oranges. The balance, or approximately two-thirds, of the grove is made up of Rhode Red, Sunstar and Valencia.

The peak production in any one season for the Devil's Garden Grove was approximately million boxes. The current season's (2007-2008) production was reported at boxes. The last three growing seasons report productions ranging from approximately boxes, with production increasing steadily since the 2005-2006 season. Current operators now project increases in production during the next three seasons when the grove is expected to produce boxes and then increase to a level of boxes. This projection anticipates increases recognizing that in the fall of 2005, Hurricane Wilma significantly reduced the crop and caused substantial root and canopy damage. The grove appears to be recovering as evidenced by the increasing production, suggesting that the projections for the grove to increase production are realistic.



DEVIL'S GARDEN GROVE - TYPICAL INTERIOR VIEW  
INTERIOR VIEW SHOWING DEVIL'S GARDEN GROVE AREA OF RE-SETS



**DESCRIPTION OF SUBJECT CITRUS GROVES, CONT'D.**

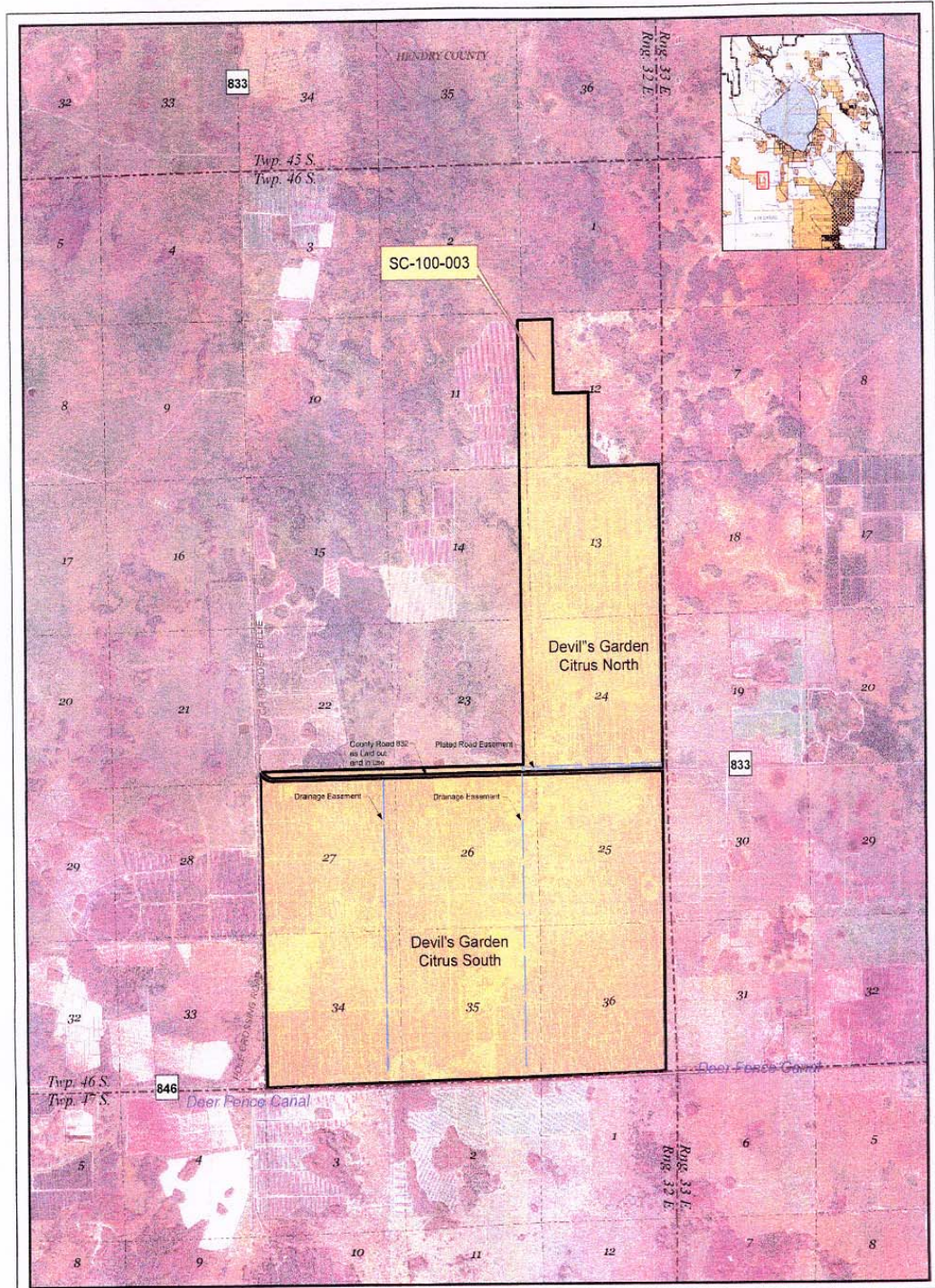
**DEVIL'S GARDEN GROVE, CONT'D.**

This grove has the lowest level of impact caused by greening of any of the three groves operated by the Southern Gardens Grove Corporation. Reportedly, 5.6% of the grove has been removed since 2005 due to greening. A relatively small area of the grove, consisting of some 62± acres, was previously pushed during the period of time when the State of Florida supported the eradication of canker-impacted trees.

Additional features of the grove included two residential properties located internally within the grove which are used in the caretaking process. This grove was also reportedly located within the C-139 Basin and is currently operated under Best Management Practices.

During our inspection of this property, we noted several cypress heads and other hammock areas internal to the property which could not be used or converted to citrus production. These lands, for the most part, were considered to be wastelands as they lie internally within the grove area and could not be accessed by others for alternative uses without jeopardizing the integrity of the entire grove. Any contributory value of these areas not currently suitable for citrus production would inherently be included within our final value estimate, as comparable sales employed for the purpose of estimating the value of the net grove acres would also have areas of wasteland included within the unit values indicated.

Hendry County soil maps indicated that soil characteristics for the Devil's Garden Grove consists predominantly of sandy soils. Boca Sand, Pineda Sand, Basinger Sand, Holopaw Sand and Oldsmar Sand predominate.



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## River of Grass

Project Map  
 Sheet 12 Aerial

**UPDATED**  
 08 AUG 2008



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## **DESCRIPTION OF SUBJECT CITRUS GROVES, CONT'D.**

### **DUNWODY/ALCOMA GROVE**

The Dunwody Alcoma Grove contains a total gross acreage identified to be approximately 9,441± acres. Within this area, 6,157± acres have been identified as being developed for citrus. A significant portion of this land no longer supports active citrus production, as many of the trees have been removed due either to disease or damage caused by hurricanes over the past several years. The current grove acres, which is an indication of the net plantable acres less any areas cleared for canker eradication, totals 3,418± acres. Some 2,739± acres within this grove have not been replanted with citrus, suggesting that only approximately 55% of the land available to support citrus is actively being utilized at a current date.

The total net planted tree area, which is calculated from the actual tree count and includes greening eliminations, is 3,105± acres. Information provided by the Southern Gardens Groves Corporation indicates there are a total of 475,988± trees as of the effective date of this analysis.

Within the grove, the majority of the trees have ages exceeding 10 years, with approximately 85% of the trees being 10 years or older. Improved citrus lands have been laser leveled, and trees are typically set on a pattern of 12 x 25, indicating the trees to be set 12 feet apart on 25-foot rows. There are some cases where the trees are set at 10 feet apart, with 25-foot rows. Average tree counts per acre range from approximately 145 to 174 trees per acre.

Water to irrigate the Dunwody section of this grove comes from the Caloosahatchee River. Water is provided by computer-controlled micro-jet irrigation, and the current system has the capacity to water approximately 1/6 of the entire grove at one time.



DUNWODY/ALCOMA GROVE TYPICAL INTERIOR ELEVATION  
PUMP STATION AND CANAL



**DESCRIPTION OF SUBJECT CITRUS GROVES, CONT'D.**

**DUNWODY/ALCOMA GROVE, CONT'D.**

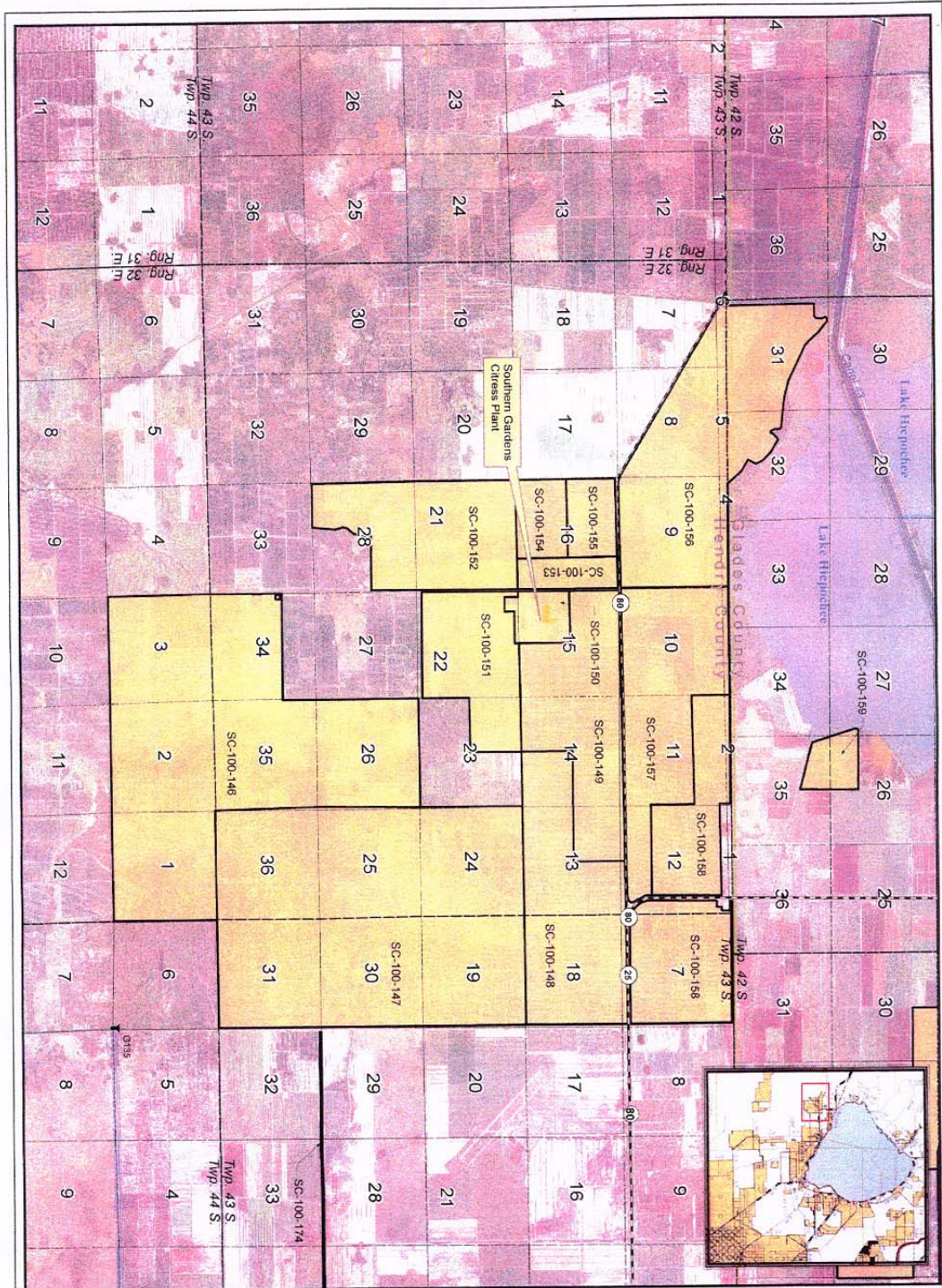
Contained within this grove, and the total gross acres reported, is an approximate 80-acre spray irrigation field which lies tangent to and easterly of the existing citrus production plant. We have verified that this land will no longer be available for citrus production and has no potential to be used in agricultural production, as it is necessary to support spray irrigation required for the adjoining plant. This land will be included within the value estimate as a component part of the agricultural land which is not planted or currently used for citrus production.

Our inspection of this property, along with information provided by on-site personnel, indicated that approximately 1,800± acres of the Dunwody Grove has been cleared. These lands have subsequently been replanted with sugarcane, and no longer support citrus production.

Reportedly, the citrus grove was originally planted in 1992, with re-sets occurring as needed and when available. We, however, noted few young trees within the grove during our inspection of the property, and have been informed that the scarcity of available nursery stock which can be certified to be disease-free has frustrated the re-setting of trees, not only within this grove, but within other Southern Gardens Groves Corporation groves as well.

The eastern side of this grove was considered to be the least productive, and reportedly has been significantly impacted by greening. The cultivation maps provided by the Southern Gardens Groves Corporation further demonstrated those areas of the grove impacted by disease.

A portion of the Dunwody Grove lying west of CR 833 was also inspected. Soil within this area was reported to be marginal, and the hard pan or rock layer lies 36 inches or less below the soil. This portion of the grove was planted in 1992. The exhibit on the following page shows the general location of the Dunwody/Alcoma Grove. The highlighted area includes other lands which are not part of the Dunwody/Alcoma Grove.



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| Acquired Lands - Fee Title       | Acquired Non-Fee Interest     | CERP - Accession Project Areas |
| Ex. Pattern Acquired - Fee Title | Approved - Not Closed Non-Fee | CERP - Conceptual Areas        |
| Approved - Not Closed            | Acquired Non-Fee              | CERP - Project Areas           |
| Proposed Acquisition - Fee Title | Proposed Fee Acquisition      | Save Our Rivers Project Areas  |
| Acquired Fee/Proposed Surplus    | Proposed Non-Fee Interest     |                                |



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 SOURCE: AERIALS, FDOT, SFWMD, PROJECT MAP SHEET 1, 2007-2008

## River of Grass

Project Map  
 Sheet 1 Aerial

**UPDATED**  
 08 AUG 2008



File path of this map is \\net\_data\maps\proj\RiverOfGrass\Project\_Map\_Sheet\_1\_Aerial.mxd which was produced on 8/22/08 by R. Schmitt, contact the GIS Section

## **DESCRIPTION OF SUBJECT CITRUS GROVES, CONT'D.**

### **DUNWODY/ALCOMA GROVE, CONT'D.**

Other portions of the Dunwody Grove originally extended along the northern right-of-way of SR 80, lying to the west of CR 833 and ran easterly to US 27. Much of the land within this area lying north of SR 80 has been cleared of all citrus, with some land currently remaining in a fallow state, and other areas planted in sugarcane. The Dunwody Grove also has component parts lying to the east of US 27, running north of the bend in US 27 where SR 80 and US 27 intersect.

Soil characteristics include a variety of soil types, however, the soil within this grove consists predominantly of sandy soils. Included within these classifications are large areas of Immokalee Sand, Basinger Sand, Hallandale Sand, Riviera Sand, Oldsmar Sand and Margate Sand.

The second area contained within the Dunwody/Alcoma Grove is identified as the Alcoma Grove. This grove area also has micro-jet irrigation, however, there is no computer controlling the irrigation within this component of the grove. Water is supplied from a main canal by multiple pumps which are powered by both electric motors and diesel engines.

The original grove was planted in 1972. The age of the trees in this grove are reported in combination with the Dunwody Grove, indicating that a total of approximately 85% of the grove trees exceed 10 years in age. Younger trees, ranging 6-9 years, make up approximately 11% of this grove, with the balance being trees in the 3-5 year range. There are no newly-planted trees within this grove.

This grove's soils were reported to be shallow, with a rock layer found just below the soil's surface. Soil maps for Hendry County indicate that these soils are also of a sandy nature, consisting predominantly of Boca Sand, Immokalee Sand, Basinger Sand, Holopaw Sand, and Margate Sand. A large section of the grove was originally constructed with drain tiles, and drainage within the area is reported to be very good.

## **DESCRIPTION OF SUBJECT CITRUS GROVES, CONT'D.**

### **DUNWODY/ALCOMA GROVE, CONT'D.**

Much of the information provided combines data without specifically segregating information pertaining to the Dunwody/Alcoma Groves as combined. The combined Dunwody/Alcoma Groves currently have approximately 200± acres which are indicated to be affected by canker disease. Some 2,739± acres of trees have been eradicated during the State of Florida's Citrus Canker Eradication Program of 2005-2007, within the combined Dunwody/Alcoma Groves. The Dunwody/Alcoma Grove is also impacted by greening disease or HLB. Reportedly, this grove has been impacted by approximately 8.4% of the trees removed due to greening.

There are three residential improvements located within the Alcoma Grove. We also noted a number of areas where the land remained in a native state and was considered to be non-producing wasteland. The largest of these areas was reported to be approximately 400± acres and was revealed by our inspection to be native land, consisting of mature pines, cabbage palms and other vegetation. There is also a significant open improved pasture area which is referred to as "the dove field" found within this non-productive area. This land, while suitable for recreational use, has limited utility, and is located internally within the grove at a point where access would not be possible without passing through producing citrus areas. This locational disadvantage could not be overcome, and access could not be provided for recreational use or other alternative uses, without jeopardizing the integrity of the surrounding citrus groves.

Additional information further defining specific acreages of component parts, as well as the age of the trees, root stock, irrigation types, historical production, projected production, and other information pertaining to this grove may be found within the USSC Property Identification Sheet dated 7/16/08 found within subsequent sections of this appraisal report.

## **DESCRIPTION OF SUBJECT CITRUS GROVES, CONT'D.**

### **SOUTHERN CITRUS GROVE**

The Southern Citrus Grove is the largest grove owned and operated by the Southern Gardens Groves Corporation at 17,723± acres. There are a total of 11,431± acres "developed for citrus", indicating a total undeveloped area of approximately 6,292± acres. The area of "current grove acres" located within Southern Citrus Grove is indicated to total approximately 9,773± acres.

The information provided by the United States Sugar Corporation in summary format indicated that approximately 80% of this grove is 10 years or older. This report also indicated there were no trees in the range of 1-2 years. Our inspection of this grove and meeting with the grove manager provided us the opportunity to inspect various blocks located throughout the grove where young trees had been replanted. During our inspection, we were provided with a cultivation map showing the location of approximately 2,000 acres of young trees which were replanted approximately 4 years ago. These trees appear to be in good condition and are expected to begin producing in the next several growing seasons. The manager also re-confirmed that a total of approximately 9,700± acres represents the current and correct size of the citrus area.

The Southern Citrus Grove was originally divided into two groves, consisting of the north and south sections. There is a center paved roadway extending some 13± miles through the property which provides access to 16 perpendicular, unpaved roads which branch off into other areas within this citrus grove.

Our inspection began within the eastern portions of the grove where we viewed trees which were in relatively poor condition. We were informed that these trees were planted on Cleopatra and Carrizo rootstock and that the trees had been significantly damaged by disease. Information provided suggested that approximately 1,000± acres within this area of the grove were considered to be low-producing.



**SOUTHERN CITRUS NON-PRODUCTIVE GROVE AREA**

**INTERIOR VIEW OF OLD GROVE PRODUCING AREA**



## **DESCRIPTION OF SUBJECT CITRUS GROVES, CONT'D.**

### **SOUTHERN CITRUS GROVE, CONT'D.**

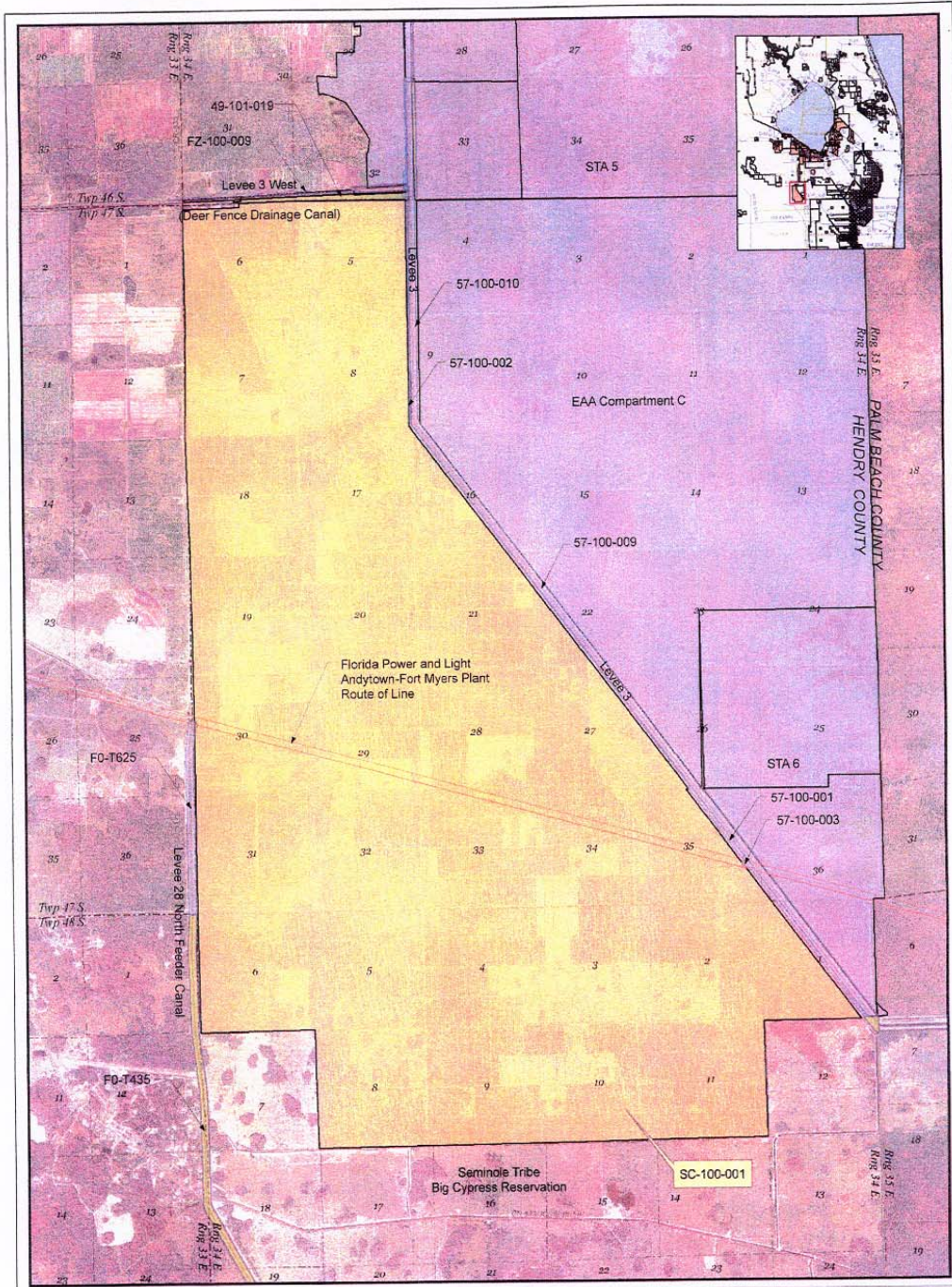
There were approximately 2,000± acres within the eastern portion of the grove which had been replanted where trees were reported to be approximately 4-5 years in age. This grove is also supported by a number of reservoirs, some of which are substantial in size, such as reservoir pond #3, which contains approximately 844± acres.

When inspecting the property, we were directed to a portion of the grove identified as grove #2 which was planted in Hamlin oranges. On the average, trees within this area were set 12 feet apart, with rows 25 feet apart, indicating approximately 145 trees per acre.

There are 119 pump stations within this property. The power for the pumps is predominantly electric, however, we did observe several pumps powered by diesel engines. Pumping stations typically included fertilizer tanks and other equipment. Hurricane Wilma significantly damaged covers for most of the pumping stations, and most have been replaced and were in new condition at the time of our inspection.

There are a number of structures located and included within the Southern Citrus Grove. The contributory value of these improvements is included within the final value estimate, as a component of the price per acre value indicated. These improvements, in most cases, included industrial-styled, metal warehouse buildings which, in some cases, had metal-covered work areas attached and were used predominantly for workshops, equipment storage and repair areas.

As we traveled throughout this property, we noted a number of wetland areas, many of which were dominated by mature cypress, as well as other native vegetation. These areas do not appear to have been used in an agricultural fashion and according to the grove manager, there would be no economically feasible way to make this land productive.



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## River of Grass

### Project Map Sheet 13 Aerial

**UPDATED**  
 8 AUG 2008



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## **DESCRIPTION OF SUBJECT CITRUS GROVES, CONT'D.**

### **SOUTHERN CITRUS GROVE, CONT'D.**

Soils within the entire Southern Citrus Grove were reported and then further confirmed to be of a sandy nature. Soil maps reviewed indicate that predominant soil types include Boca Sand, Immokalee Sand, Basinger Sand, Holopaw Sand, Riviera Sand, Oldsmar Sand, Delray Sand and Margate Sand.

While inspecting the property, we also observed the presence of a large electrical transmission line and easement improved with a 500kV electrical transmission line. This easement traverses the grove and effectively divides the land into two sections. This transmission line appears to have no significant impact upon the productivity of the grove and, while inspecting the property, we observed that citrus trees are currently planted within the easement area.

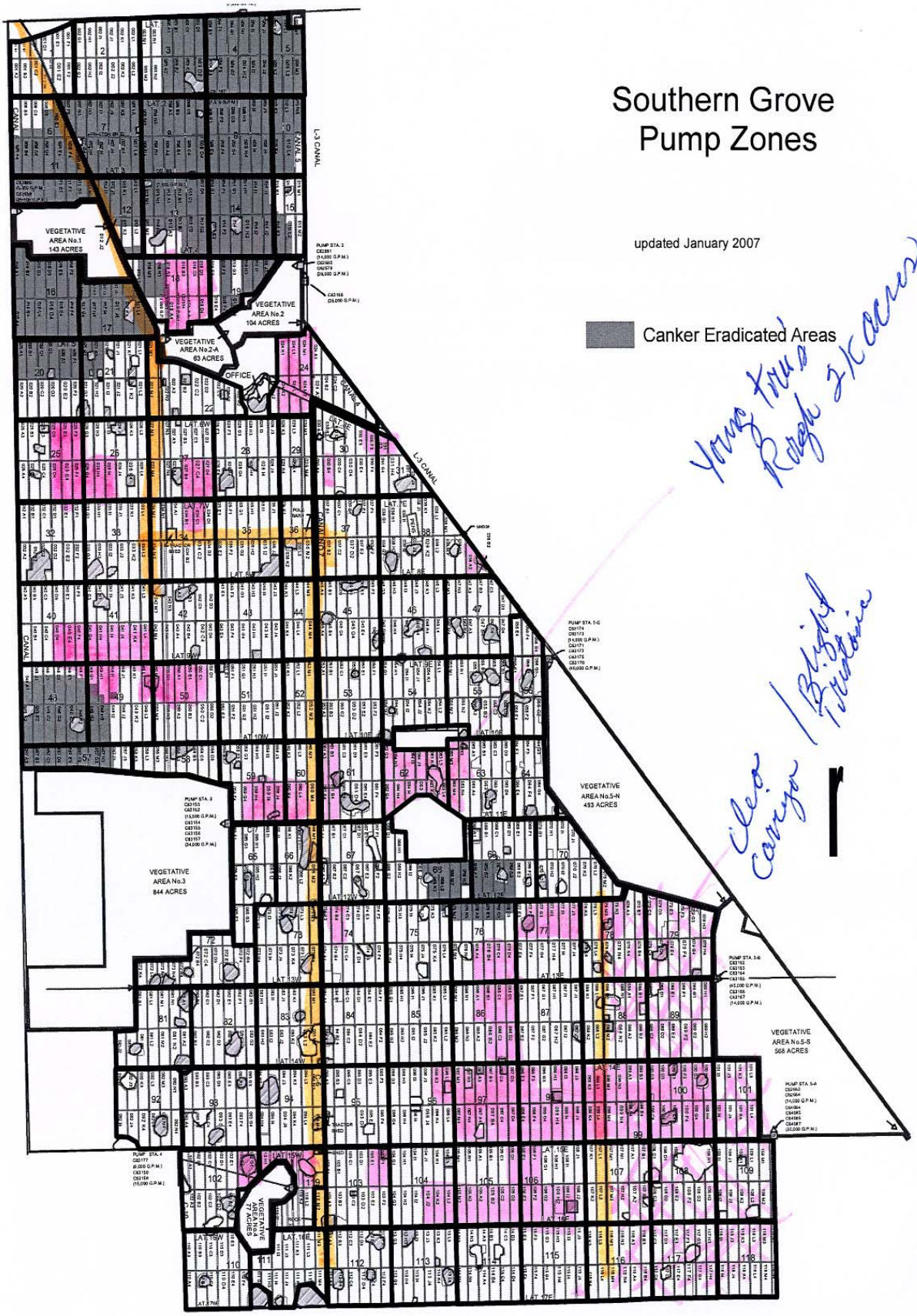
In addition to those improvements previously discussed, we also observed several maintenance structures, irrigation office, equipment barns and an office. The office appears to have been designed as a residential improvement, and may then have been converted to accommodate the requirements of the grove operation for office purposes.

The grove manager reported that future plans for the Southern Citrus Grove include the continual re-setting of citrus trees and an aggressive treatment program designed to control both canker and greening diseases. There reportedly is a great deal of concern in the citrus market with regard to grower's ability to contain the greening disease. Hopes are that research now being conducted will improve treatment methods and contain this significant risk to the Florida citrus crop.

The commitment of the Southern Gardens Groves Corporation to maintain and improve the grove was apparent during our inspection as we noted ongoing and continuous efforts to control existing diseases and to improve the grove's production. The manager currently in charge of the Southern Citrus Grove had successfully maintained Devil's Garden Grove for 14 years and had been recently moved to Southern Citrus Grove, the largest of Southern Gardens Groves Corporation's groves, to take charge of its rehabilitation.

# Southern Grove Pump Zones

updated January 2007



■ Canker Eradicated Areas

*Young Trees  
Rough 20 acres*

*Clear Canyon /  
B. of 1/2 mile*

**DESCRIPTION OF SUBJECT CITRUS GROVES, CONT'D.**

**SOUTHERN CITRUS GROVE, CONT'D.**

While it is apparent from our inspections and meeting with the grove managers that this citrus grove is an integral part of the entire USSC enterprise, our analysis suggests that this grove is not currently producing adequate income to cover caretaking and other costs of operation. Current plans are to continue to actively develop the grove by pushing diseased trees and replanting as nursery stock becomes available. The approximate 2,000 acres of 4-year-old citrus trees are expected to stabilize production as projected by USSC. This anticipates that these young trees will become productive at approximately the same time that other older or diseased trees will be required to be removed.

Our analysis and value estimate for this property recognize that the current production level at less than 200 boxes per acre indicate this to be a marginal grove as of the effective date of this appraisal. The existing production does, however, in part offset expenses which provide and assist with the continued opportunity to improve the grove through replanting and aggressive caretaking. With infrastructure in place to support the replanting of the grove, it appears that such redevelopment would be reasonably anticipated as reported, suggesting that this land could not be expected to be converted to alternative agricultural uses as of the effective date of this appraisal.

## **ZONING AND COMPREHENSIVE PLAN DESIGNATIONS**

Each of the subject groves is currently zoned "A-2", General Agriculture. Examples of some of the permitted uses found within the "A-2" district is agriculture, hunting camp, mobile home, single-family dwelling, a variety of public and semi-public uses, and neighborhood recreation. The minimum lot size within the "A-2" District is 5 acres.

According to the Hendry County Future Land Use Map, the subject properties are currently designated "Agriculture." The Agriculture category includes various uses defined as follows: cultivation of crops; raising of livestock; and production and processing of agricultural products, including cropland, pastureland, orchards, vineyards, nurseries, groves, specialty farms, ornamental horticulture, confined feeding operations, silva culture, food processing and production and similar uses.

## **DISCUSSION OF HIGHEST AND BEST USE**

### **HIGHEST AND BEST USE DEFINITION**

*"Highest and best use is the reasonably probable and legal use of vacant land or an improved property that is physically possible, legally permissible, appropriately supported, financially feasible, and that results in the highest value," as excerpted from The Appraisal of Real Estate, 12<sup>th</sup> Edition, copyright 2001, p. 305.*

### **DEVIL'S GARDEN GROVE**

The highest and best use of this property as improved as a citrus grove has been tested by developing an Income Approach to value and considering various factors which will influence this site's ability to continue to profitably produce citrus. Devil's Garden Grove represents the best of the Southern Gardens Groves Corporation citrus groves and is projected to have increased production through 2011. This citrus grove has shown historical production increasing and was considered to be a good quality grove based upon our inspection of the property. These factors have led us, and the experts which we have employed to assist us in this citrus evaluation, to reach a conclusion that the highest and best use of the Devil's Garden Grove is to continue to use the property for citrus production.

## **DISCUSSION OF HIGHEST AND BEST USE**

### **DUNWODY/ALCOMA GROVE**

The combined Dunwody/Alcoma Grove, containing a total of some 6,157± acres developed for citrus and containing only 3,418± acres, or 55% of the developed citrus land producing, has been carefully considered. An income analysis performed for the purpose of this appraisal provides an effective test of the highest and best use of this property. Reviewing alternative uses, which predominantly relate to the growing of alternative crops or using the land for cattle, suggests that this grove remains economically feasible at this time. Noting that historical production figures have been increasing and that projected productions are anticipated to increase, further supports our conclusions that the highest and best use of this property in the foreseeable future is to continue to operate the land for citrus production.

Those areas identified as “current unplanted citrus acres” would, in our opinion, have potential to either be reset with citrus trees or to be used in some alternative agricultural fashion. The highest and best of these lands would, therefore, be realized by continued agricultural utilization. We note that a significant portion of these lands has been planted in cane which may provide an appropriate interim use while awaiting an adequate supply of young citrus trees to allow the grove to be replanted. These current unplanted citrus acres were, in many cases, noted to have been improved by contouring the lands into beds and leveling the land to provide positive drainage. Much of this area has also been improved with micro-jet irrigation and other grove-related improvements.

## **DISCUSSION OF HIGHEST AND BEST USE, CONT'D.**

### **SOUTHERN CITRUS GROVE**

The highest and best use of a property contemplates the maximally productive use which typically results in the highest price which could be demonstrated by the market for that use. The Southern Citrus Grove has some 6,292± acres out of a total gross size of 17,723± acres, representing 36% of the land which is undeveloped and non-productive. "Current grove acres" at 9,773± acres represent utilization of approximately 85% of the total citrus land which has the capacity, based upon existing improvements, to be utilized for citrus production.

While some 2,000± acres of this grove have been replanted with trees averaging 4+ years of age, approximately 80% of the trees within the balance of the grove is reportedly to have an age of 10 years or older. We also note that the Southern Citrus Grove has the greatest infection level of all subject groves impacted by HLB or greening disease, at approximately 16% total level of infection. Our inspection of this grove revealed many areas to be in poor condition.

Historical production within this grove has increased from the 2005-2006 period, but future projected production is anticipated to decline from the 2007-2008 season and remain stable at only 177 boxes per current grove acre. This suggests that even though approximately 2,000± acres of young citrus will become productive in the near future, many other older trees will be required to be removed, therefore, reducing production at a level as fast as production may increase from the young trees.

Additional information obtained during the course of this assignment suggested that trees located along the eastern side of this grove, which were predominantly Hamlins grown on Cleo root stock, had shown low levels of production. This was due primarily to the fact that this area was managed with water levels controlled at an inappropriately high level causing root rot and crop decline. New management has been put in place and corrective measures are now being taken to alleviate the poor drainage which resulted in the poor production within this section of the grove. We have also been informed that general soil characteristics within this portion of the grove were somewhat unfavorable for citrus production.

## **DISCUSSION OF HIGHEST AND BEST USE, CONT'D.**

### **SOUTHERN CITRUS GROVE, CONT'D.**

We have been able to effectively test the economic feasibility of each citrus grove by examining the income-producing potential based upon historic, as well as projected production. The Southern Citrus Grove, currently as well as in the near term, appears to be incapable of producing income which would fully offset the cost to maintain the grove.

Collectively, the issues associated with this grove clearly make it the least desirable of all Southern Gardens Groves Corporation properties. This does not necessarily suggest that those portions of the grove which are actively producing should not be valued based upon their citrus production. We also note that the approximate 2,000± acres of 4-year-old trees which will soon come into production would be seen by the market as a positive component of the entire grove, as the income from these trees would soon be expected to assist in covering caretaking expenses.

We have completed our value estimate for the Southern Citrus Grove by considering the various component parts of the grove and the utility associated with each. The first component, consisting of the 2,000± acres of young grove, has been individually considered and valued employing a Sales Comparison Approach. Since little income is currently being produced by this 2,000±-acre component of the grove, and no projection of production was developed, we have relied upon the sales of other young groves to estimate the value of this portion of the Southern Citrus Grove. The second component of this grove, consisting of the older portions of the grove, are still income-producing, and have been valued by reviewing the sales of properties which were poor-producing or low-producing groves. Additional lands which can be brought back into citrus production by re-setting trees within the area, have also been independently considered.

## **DISCUSSION OF HIGHEST AND BEST USE, CONT'D.**

### **SOUTHERN CITRUS GROVE, CONT'D.**

Valuing the Southern Gardens Grove by considering the value of its component parts has led us to the conclusion that the value of the property, as improved, would exceed the value of the property as if vacant and suitable for alternative agricultural use. We have, therefore, concluded the highest and best use of this grove is to continue a grove operation anticipating the need to replant many of the areas to make it, once again, a stronger income producing property.

This conclusion is further supported by noting that much of this land has been improved by the construction of supporting infrastructure, including the laser-leveling of land, the creation of rows and drainage facilities, development of canals, construction of roadways, reservoirs and other citrus-supporting improvements. Our review of the subject market area also suggests that there are few alternative uses which could logically be anticipated to replace citrus at this location. For these reasons, we have concluded that the highest and best use of the Southern Citrus Grove is for continued citrus production, with emphasis placed upon rehabilitation of the grove.

**SALES COMPARISON APPROACH**

## **SALES COMPARISON APPROACH TO VALUE**

The subject market area, for the purpose of this analysis, is considered to be the southwestern portion of the state of Florida. This area, in our opinion, is well suited for continued agricultural production, including citrus, sugarcane, row crops, and uses related to cattle or ranch use.

When developing a Sales Comparison Approach to value, the sales located within this market area, in our opinion, more accurately reflect the value of the subject property, as sales of citrus lands within other counties throughout the state of Florida oftentimes include motivations or potential not common to the subject citrus groves. By way of example, grove sales and citrus production along the east coast of Florida, in many cases, involve additional considerations such as market anticipations that these areas will, in the immediately foreseeable future, develop into more intensive uses, i.e. residential communities.

When defining the market area of which the subject groves are a part, we believe it is especially significant to focus upon areas where citrus production and the value of such groves are directly reflected by their economic potential to produce net income through continued citrus operations. We have attempted to exclude the sales of citrus groves where the highest and best use of the property may be for some alternative use, and citrus is considered only as an interim use.

**DEVIL'S GARDEN GROVES**

## **SALES COMPARISON APPROACH TO VALUE, CONT'D.**

### **DEVIL'S GARDEN GROVE**

Devil's Garden Grove is considered to be the most productive and, therefore, would reflect the highest price per grove acre of all citrus groves currently owned and operated by the Southern Gardens Groves Corporation. This grove has shown increases in production over the last 3 growing period periods, with an approximate 3% increase in boxes produced between 2005-2006 and 2006-2007, then a 23% increase between 2006-2007 and 2007-2008. When inspected, the grove appeared to be in excellent condition, with the manager reporting the continued expectation that production will increase. Anticipations are that this grove will be producing approximately 400 boxes per acre within the next 2 seasons.

We also note that the Devil's Garden Grove has the least significant level of HLB infection of all Southern Gardens Groves Corporation's groves where only approximately 5.6% of the trees are affected. This grove also has the lowest percentage of unplanted improved citrus land, where less than 2% of the total land is available for replanting. These factors, in combination, suggest that the Devil's Garden Grove is one of the more desirable groves and should be directly compared to the sales of other citrus groves which have comparable condition and similar levels of production.

The Summary of Citrus Grove and Comparable Citrus Sales chart shown on the following page illustrates those sales upon which we have relied for the purpose of estimating the current market value of all citrus groves owned by the Southern Garden Groves Corporation.

Discussed on following pages are those improved citrus grove sales considered to be most similar to the Devil's Garden Grove. For a complete description and additional information involving each of the citrus grove sales considered, please review the citrus grove sales found within the Addenda section of this report.

## SUMMARY OF CITRUS GROVE AND COMPARABLE CITRUS SALES

GROVE/ SALE #	GROSS SALE PRICE ADJUSTED*	SIZE TOTAL GROSS ACRES	CURRENT GROVE ACES	PRICE / CURRENT GROVE AC	PRODUCTION BOX / AC	ESTIMATED INCOME / AC	ESTIMATED OAR
DEVILS GARDEN	NA	5,439	3,306	NA	393	\$1,376	
DUNWODY ALCOMA	NA	9,441	3,418	NA	285	\$741	
SOUTHERN GROVE	NA	17,723	9,773	NA	177	NA	
D-1	\$4,000,000	395	300	\$ 13,333	432	\$1,570	11.78%
D-2	\$4,050,000	500	409	\$ 9,902	274	\$644	6.51%
D-3	\$18,500,000	1,242	870	\$ 21,264	470	\$2,367	11.13%
D-4	\$10,600,000	1,922	1,623	\$ 6,531	150 - 175	NA	NA
D-5	\$4,200,000	972	780	\$ 5,384	NA	NA	Na
H-40	\$4,400,000	1,046	637	\$ 6,907	244	NA	NA
H-41	\$37,085,000	3,444	2,392	\$ 15,504	345	\$1,266	8.16%
H-42	\$27,500,000	2,156	1,506	\$ 18,260	400	\$1,636	8.96%
Har-20	\$5,133,000	1,638	354	\$ 14,500	250	NA	NA
High-10	\$12,600,000	909	803	\$ 15,691	451	\$1,658	10.56%
High -11	\$42,420,000	3,624	3,200	\$ 13,256	109	NA	NA
* Gross Sales Price Less Any Value of Crop or Excess Lands							

## **SALES COMPARISON APPROACH TO VALUE, CONT'D.**

### **DEVIL'S GARDEN GROVE, CONT'D.**

#### **Sale D-1**

This grove property is located in DeSoto County in a somewhat remote location approximately 10½ miles from SR 70. At the time of the sale, the grove was producing in excess of 400 boxes per acre, consisting predominately of Hamlin and Valencia oranges. This grove also included approximately one-third of the net grove acres in resets which were approximately 1+ year old. The established portion of the grove was reported to be near a point where production would be anticipated to be peaking. This sale, indicating some \$13,333/current citrus acre was judged to be a low-range indication of value, recognizing that one-third of this comparable sale consisted of young citrus trees which were not income-producing at the time of sale.

Reviewing the overall rate developed from this sale at some 11.78%, we believe this represents an upper range indication of the appropriate overall rate for the subject. This is due primarily to the fact that the net income per acre being produced by this grove at the time of sale exceeded that projected for the subject.

#### **Sale D-3**

This comparable sale involved an excellent grove with significantly superior production to that which is projected for the subject. Notably, this grove also consisted predominantly of young trees, compared to the subject grove where 95% of its trees exceed 10 years in age. This sale was also reported to be part of a larger transaction involving a wide variety of assets where the actual price paid for this grove was allocated by a professional real estate appraiser who specializes in the evaluation of grove properties. The price per current grove acre at some \$21,200/Acre would be expected to indicate only the extreme upper range of value for the subject, understanding that the grove had superior production figures and anticipations were that production would grow rather than stabilize as the grove consisted predominantly of younger trees.

The overall rate indicated from this comparable sale at 11.13%, in our opinion, suggests an upper range indication of the appropriate rate to be applied to the subject property in a direct capitalization approach. This is due primarily to the fact that this grove produced significantly more income than the subject as it was reported to be producing approximately 470 boxes per acre at the time of sale.

**SALES COMPARISON APPROACH TO VALUE, CONT'D.**

**DEVIL'S GARDEN GROVE, CONT'D.**

**Sale H-41**

This sale consists of some 3,444± acres of land containing 2,392 grove acres, or 77% of land suitable for citrus production. At the time of this sale, a significant portion of the citrus had been pushed due to canker and was left fallow.

An additional 88± acres planted with Mercotts were in very poor condition due to blight and were also non-producing. Our evaluation of this sale included the extraction of the value of those non-producing acres when estimating and deriving a price per grove acre. A total of some 262± acres of land valued at approximately \$5,400/grove acre has been extracted from the gross sales price to yield an indication of the actual price paid for the remaining grove acres. This provides an indication of some \$15,504 for the remaining producing Valencias and Hamlins. This price per grove acre indication is judged to be an appropriate indicator for the subject property, recognizing that this grove has similar production as compared to the actual production of the subject and produces similar net annual income returning to the grove acres.

The overall capitalization rate indicated at 8.16% was judged to be a low-range indicator appropriate for the subject due to similar, however, slightly superior production figures.

**SALES COMPARISON APPROACH TO VALUE, CONT'D.**

**DEVIL'S GARDEN GROVE, CONT'D.**

**Sale H-42**

This comparable sale involved a 2,156±-acre grove, having 1,506± grove acres. Consisting predominantly of Valencias, Hamlins and pineapples, this grove was considered to be a young grove, as the Valencias were 9-10 years old, and the Pineapples were not yet mature. The grove was in good condition at the time of sale, and had a density of approximately 151 trees per acre. This grove was considered to be comparable to Devil's Garden Grove in that its production, at some 400 boxes per acre, was similar to Devil's Garden Grove production at approximately 393 boxes per acre.

In the final analysis, this sale indicating \$18,260/grove acre, was judged an upper range indication of value, as the age of the grove was considered to be superior to that of the Devil's Garden Grove.

The indicated overall rate at approximately 9% would be considered a low-range indication of the appropriate overall rate for the subject, recognizing that the market would anticipate increased net income from this grove due to the portion of the grove which is not yet producing. The market's anticipation of increasing net income would tend to push the overall rate in a downward direction to a point less than that considered to be appropriate for the subject.

**SALES COMPARISON APPROACH TO VALUE, CONT'D.**

**DEVIL'S GARDEN GROVE, CONT'D.**

**Sale HIGH-10**

This citrus grove sale which occurred in January 2008, involved a 909±-acre tract of land made up of three non-contiguous blocks with 70% Hamlins and 30% Valencias. This was an excellent producing grove at some 451 boxes per grove acre. The grove predominantly consisted of mature trees with some younger trees intermixed. This grove sale is considered to be a significant indicator of value for the Devil's Garden Grove, as it is also a desirable grove in good condition, even though the production level is slightly less than that reflected by this grove. The price per acre indicated by this sale at some \$15,691/grove acre was judged to be an upper range indication of value for the subject, due primarily to the fact that this grove had somewhat higher production indicating that the net profit per acre exceeded that of the subject.

The superior income being produced by this grove reflected by its slightly superior production, would tend to suggest that the overall rate indicated by this sale at some 10.56% would be indicative of the upper range of the overall rate which should be applied to the subject property when developing a value indication via the Income Approach applying a direct capitalization technique.

## **FINAL VALUE RECONCILIATION – DEVIL’S GARDEN GROVE**

Those comparable grove sales relied upon for the purpose of developing a Sales Comparison Approach to value for the Devil’s Garden Grove ranged from approximately \$13,300/grove acre to in excess of \$21,000/grove acre. The lower range of value was set by a grove property which had approximately one-third of the trees recently replanted which were not income-producing. This condition is considered inferior to that of the subject as most trees within the subject groves were mature and currently producing. We, however, note that the overall production of this grove was superior to that of the subject which tends to offset this disadvantage.

The upper range of value on a price per grove acre basis was set by groves considered to be superior, in most cases, due to the age and condition of the grove and trees.

In the final analysis, we have favored a lower median range of value for the subject in recognition of its current, as well as projected, production which was less than most comparable sales analyzed. A price of \$15,000/grove acre is been favored in this evaluation.

3,306± Grove Acres @ \$15,000/Grove Acre = \$49,590,000.

as of August 15, 2008.

## **ESTIMATION OF OAR – DEVIL’S GARDEN GROVE**

When extracting an overall rate to be applied in the Direct Capitalization Process, we have reviewed extracted capitalization rates indicated by our analysis of the various comparable sales previously discussed. These rates range from approximately 8.16% to 11.78%. The upper range of overall rate was indicated by a grove which was peaking, similar to the subject property, however, this grove had superior production at the time of sale. The lower range of overall rates indicated came from groves which typically had superior trees in terms of their age and condition, where production levels would be anticipated to significantly increase.

In the final analysis, giving consideration also to the current production levels of the comparable sales in comparison to the subject property, we have favored a somewhat median range of overall rates indicated and have employed a rate of 9.5% for the purpose of developing our estimate of the value of this grove via the Direct Capitalization process. This value technique is more completely described within subsequent sections of this appraisal report.

**DUNWODY/ALCOMA GROVE**

## **SALES COMPARISON APPROACH TO VALUE, CONT'D.**

### **DUNWODY/ALCOMA GROVE**

The Dunwody/Alcoma Grove has also been valued employing a Sales Comparison Approach to value. This grove consists of approximately 3,418± current grove acres which is producing as of the date of this appraisal. Production in this grove increased during the past 3 growing seasons, and is projected to increase and then stabilize over the next 3 seasons. The projected production at 975,000 boxes is still somewhat below average indicating approximately 285 boxes per acre. This grove consists predominantly of older trees, and a large portion of the original groves, some 45±%, has been eradicated due to canker or other diseases. While this grove does remain economically viable, it appears that a significant effort will be required to replant non-productive areas within this grove, both to replace trees lost to canker and to replace marginally productive trees.

Discussed below are comparable sales which have been directly compared to the Dunwody/Alcoma Grove when employing a Sales Comparison Approach.

#### **Sale D-2**

This citrus grove involved an approximate 500-acre tract of land containing some 409 grove acres. The total purchase price verified was \$4,700,000, however, this sale includes an existing crop which was valued at the time of sale at some \$650,000. The grove was considered to have been well maintained and in average condition at the time of sale. There was a significant number of skips estimated to be 24% at the time of sale. Production was anticipated to increase once trees damaged by Hurricane Wilma had been replaced and had time to become productive. At the time of sale, producing some 274 boxes per grove acre, this property is similar to the production levels currently being projected for the Dunwody/Alcoma Grove. The price indicated per grove acre at some \$9,900/grove acre is considered a low-range indication of value due to the fact that this grove did have significantly greater skips reported at the time of sale.

**SALES COMPARISON APPROACH TO VALUE, CONT'D.**

**DUNWODY/ALCOMA GROVE, CONT'D.**

**Sale D-2, Cont'd.**

The derived overall rate indicated from this comparable sale, using income and expenses effective at the time of sale, indicates a relatively low overall rate at some 6.5%. This overall rate, again, would be considered appropriate for application in the income analysis and direct capitalization of income for the Dunwody/Alcoma Grove, recognizing that it, too, had comparable low levels of production.

**Sale H-40**

This comparable grove sale was considered to be in poor condition at the time of sale and consisted of approximately 1,046± acres, reportedly producing 244 boxes per acre. Anticipations of the buyer were that this grove would continue to show decreasing production figures due to a variety of issues. Additional reasons why this grove was judged to be inferior to the subject include the fact that a significant portion of the property had been planted in white grapefruit which had been abandoned and an additional 69 grove acres of red grapefruit made up portions of the grove. These acres planted in grapefruit had substantially less potential for income production than those producing areas of the subject.

For a number of years, caretaking of this grove had been less than adequate to maintain it in a reasonable condition. Therefore, this comparable sale indicating approximately \$6,900/grove acre is judged to represent only a low-range indication of value for the Dunwody/Alcoma Grove as of the effective date of our analysis.

## **SALES COMPARISON APPROACH TO VALUE, CONT'D.**

### **DUNWODY/ALCOMA GROVE, CONT'D.**

#### **Sale H-41**

This sale consists of some 3,440± acres of land containing 2,392 grove acres, or 77% of land suitable for citrus production. At the time of this sale, a significant portion of the citrus had been pushed due to canker and was left fallow, a condition comparable to the Dunwody/Alcoma Grove. An additional 880± acres planted with Mercotts were in very poor condition due to blight and were also non-producing. Our evaluation of this sale included the extraction of the value of those non-producing acres when estimating and deriving a price per grove acre. A total of some 262± acres of land valued at approximately \$5,400/acre has been extracted from the gross sales price to yield an indication of the actual price paid for the remaining grove acres. This provides an indication of some \$15,504 for the remaining producing Valencias and Hamlins. This price per grove acre indication is judged to be only an upper range indication of value for that portion of Dunwody/Alcoma Grove which is currently in average to good condition, and is still producing. Dunwody/Alcoma Grove is projected to produce approximately 285 boxes per grove acre in the 2009-2010 season, and this comparable sale produced significantly more, with an average of 345 boxes per grove acre. Therefore, in the final analysis, this sale at some \$15,500/grove acre, is judged a high-range indication of value.

The extracted overall rate developed by analyzing this comparable sale at approximately 8.16% is considered to be an upper range indication of OAR for the subject due to superior production, based upon average boxes per grove acre. Giving consideration to this significant difference in production and the resulting net income suggests an adjusted overall rate by this comparable sale for the subject at less than 7%. This rate is considered to be more appropriate when applying an overall rate to the subject's income to yield an indication of the value of the grove as of the effective date of this analysis.

**SALES COMPARISON APPROACH TO VALUE, CONT'D.**

**DUNWODY/ALCOMA GROVE, CONT'D.**

**Sale HAR-20**

This comparable sale involves the relatively recent purchase in June 2007 of a grove which, like the subject property, had substantial areas impacted by canker. The total or gross acreage at some 1,630± acres included only 354 acres of land which had been planted in 6-year-old citrus. The remaining 816 acres were in bedded plantable land, and the balance of the land in retention, rows, ditches and wetlands. The production of this grove was relatively low at some 250 boxes per acre. This is considered to be somewhat comparable to the Dunwody/Alcoma Grove which is projected to produce approximately 285 boxes per acre.

When analyzing this comparable sale to yield an indication of the price per grove acre, a deduction for the plantable land has been developed. This results in an allocation of some \$5,133,000 total for the 354± grove acres of existing citrus grove land. This resulting calculation provides an indication of some \$14,500/grove acre. This is judged to be an upper range indication of value for the subject as we note that the trees planted within this area were 6-year-old citrus trees where production would be expected to significantly increase in the foreseeable future. The subject, on the other hand, would not likely experience the same increase in production due to the age and condition of the trees within the grove.

**SALES COMPARISON APPROACH TO VALUE, CONT'D.**

**DUNWODY/ALCOMA GROVE, CONT'D.**

**Sale HIGH-10**

This comparable citrus grove sale occurred in January 2008 and included an approximate 909±-acre block having 803 grove acres. The age of the trees range from newly planted trees to trees being approximately 8 years old, a condition considered superior to that of the subject property. We also note that the production reported for this grove, at some 450 boxes per grove acre, significantly exceeded that projected for the subject property. This sale, indicating approximately \$15,690/grove acre, is judged to be only an upper range indication of value for the Dunwody/Alcoma Grove, due primarily to superior production and superior tree age and condition.

The premium paid, due to the condition of this grove and its high production, also tended to produce an overall rate judged to be indicative of the upper range appropriate for the Dunwody/Alcoma Grove as of our date of appraisal. Therefore, at some 10.56%, this overall rate was judged to be greater than that which should be applied to the net income being produced by the Dunwody/Alcoma Grove.

## **FINAL VALUE RECONCILIATION** **DUNWODY/ALCOMA GROVE**

Those comparable sales analyzed for the purpose of valuing the Dunwody/Alcoma Grove in this Sales Comparison Approach produced value indications ranging from approximately \$9,900/grove acre to \$15,600/grove acre. The higher value indications were represented by groves having superior production and trees in better condition and age than the Dunwody/Alcoma Grove. The final value estimate gives consideration to the current grove condition, the age of the trees, as well as the production figures, and the likelihood that production will increase only slightly and then stabilize. Therefore, the lower median range of value is favored when developing a value estimate via the Sales Comparison Approach to value. We have favored a price of \$11,000/current grove acre to estimate the current market value of this property via the Sales Comparison Approach to value.

3,418± Current Grove Acres @ \$11,000/Acre = \$37,598,000

as of August 15, 2008.

## **ESTIMATION OF OAR – DUNWODY/ALCOMA GROVE**

The estimation of the appropriate overall rate applied in a direct capitalization process to the income produced by a citrus grove results in a meaningful and well-supported estimate of value. Critical to this analysis is the appropriate estimation of the overall rate which we believe to be best estimated through actual extraction from comparable sales of other citrus groves.

Oftentimes when appraising income-producing properties employing a Direct Capitalization Approach to value the market reflects overall rates within the lower ranges for properties which are perceived to have low risk. Examples include properties where long-term leases are in place and a credit-worthy tenant leads one to conclude that the income stream being produced by the property would remain stable. Higher overall rates are oftentimes indicated by properties which are considered to be more risky in nature, and where the income being produced by that property is at greater risk. This results in an inverse relationship between the price or value of the property and the capitalization rate produced by that property.

## **ESTIMATION OF OAR – DUNWODY/ALCOMA GROVE, Cont'd.**

When appraising agricultural properties where land represents a significant component, income analyses can be influenced by a number of factors. Specifically, when evaluating citrus groves based upon their income-producing potential, factors such as the age and productivity of the trees can dramatically influence the price per acre paid for the producing area. By way of example, a relatively young citrus grove which has not yet reached its peak production and, therefore, produces little income, may command a price per acre which exceeds the price paid for an older grove which has superior production and income figures, but where income is forecast to decline due to the aging trees. This reflects the market's anticipation that income from the young grove which has yet to peak will be increasing and, therefore, ultimately results in an increase in the return produced by the property. When analyzing the sale of a young grove where the income has yet to reach its peak, the indicated overall rate would be expected to be low.

When appraising citrus groves such as the Dunwody/Alcoma Grove, it is important to recognize that the age of the trees and condition of the grove suggest that over the long term, there exists substantial risk that the income may remain stable in the short term and then decline. The age and condition of citrus groves are well understood and evaluated by market participants and typically result in a lesser price per acre being paid for an older citrus grove reflecting moderate production.

When estimating an appropriate overall rate from the comparable sales reviewed, consideration has been given to the productivity of the comparable sales and the resulting overall rates indicated. The lower range of overall rates is favored recognizing that the Dunwody/Alcoma Grove is a relatively modest producer and that there is no long-term expectation that production will increase. Those comparable sales having similar production to the Dunwody/Alcoma Grove were considered to be most appropriate and have been relied upon for the purpose of estimating the overall rate to be applied in the direct capitalization process when valuing this grove. In the final analysis, an overall rate of 6.75% has been employed for the purpose of developing a value estimate via direct capitalization.

## **ADDITIONAL DISCUSSION OF CAPITALIZATION RATES**

Further analysis of the capitalization rates applied to convert the estimate of net income into a value indication for both the Devil's Garden Grove and Dunwody/Alcoma Grove is presented at this point. This information is offered to further demonstrate and explain the difference between the overall rates utilized in the evaluation of the Devil's Garden Grove at 9.5% and the 6.75% rate employed for the purpose of capitalizing into present value the net income estimated for the Dunwody/Alcoma Grove.

Working with experts who specialize in the appraisal of citrus groves has assisted us in better understanding the primary motivations of market participants who trade in citrus grove properties. We have learned that citrus groves, similar in size to the subject properties, are oftentimes viewed as nothing more than an income-producing property where the purchaser effectively evaluates the grove based upon historical, as well as projected income production. Oftentimes, a potential purchaser will first evaluate a grove by reviewing historical boxes of production for the grove as a primary indicator of a grove's capacity to produce income. This information is then considered in conjunction with the variety of fruit and the condition of the grove so that future production may also be evaluated. When interviewing buyers and sellers, we seldom find that market participants actually develop overall rates from comparable sales and then use those rates to capitalize estimates of net income to evaluate citrus groves. As real estate appraisers, however, we take these extra steps and perform further analyses to test and refine value indications which are extracted from the market when analyzing the sales of comparable citrus groves.

The estimate of capitalization rates has been developed by carefully reviewing and analyzing comparable sales and then estimating the net annual income which can be produced by the comparable citrus property. Oftentimes, the sales included in this report have been verified to identify the number of boxes of fruit per acre produced, as well as additional information identifying the quantity and variety of fruit. Additional information was researched to identify and estimate caretaking, as well as pick and haul costs for the comparable grove. This information is used as a basis for estimating net annual income which forms the basis of the extracted overall rates indicated by each of the comparable sales. Our analysis clearly indicates that there exists a direct relationship between the total number of boxes of fruit produced and the capitalization rate which may be extracted by developing an estimate of the net income which a grove produces, and comparing that net income to the sales price.

**ADDITIONAL DISCUSSION OF CAPITALIZATION RATES,**  
**CONT'D.**

We have further examined this relationship and further developed a technique which has been used as a tool, resulting in an objective adjustment which may be applied to the overall capitalization rates indicated by each of the comparable sales to effectively consider the difference in production between that comparable sale and the subject property.

The actual process undertaken when developing factors used to adjust capitalization rates for both the Devil's Garden Grove and Dunwody/Alcoma Grove is accomplished by developing a multiplier or factor. This factor is quantified by comparing the boxes of fruit produced by a comparable grove to the boxes produced by the subject grove. This analysis involves utilizing the subject grove production in boxes as the numerator and the number of boxes of production of the comparable sales as the denominator to develop a factor which then may be multiplied times the extracted overall rate indicated by the comparable sale. This results in an estimate of the appropriate OAR for each subject grove.

The summary chart on the following page illustrates the various comparable grove sales where overall rates have been extracted by estimating the net income being produced by the grove, and then dividing that amount by the sales price of the grove. A factor has then been developed for and applied to each of those comparable sales to adjust the extracted overall rate due to basic differences in production between the comparable sale and the subject grove.

We believe this additional analysis significantly enhances the reliability of selecting an appropriate overall capitalization rate and, to a large degree, removes the subjectivity of identifying an appropriate rate. The resulting overall capitalization rates, which have been adjusted for production, have been considered when estimating the appropriate capitalization rates for both the Devil's Garden and Dunwody/Alcoma Groves. Other factors have, however, also been considered. The age of trees, level of disease, reported soil quality, as well as cost of operation and anticipated future steps which will be taken to replace canker damaged citrus, represent examples of such factors.

ANALYSIS AND ADJUSTMENT OF OAR DEVILS GARDEN GROVE									
GROVE/ SALE #	GROSS SALE PRICE ADJUSTED*	SIZE TOTAL GROSS ACRES	CURRENT GROVE ACES	PRICE / CURRENT GROVE AC	ESTIMATED INCOME / AC	ESTIMATED OAR	PRODUCTION BOX / AC	ADJUSTMENT FACTOR	ADJUSTED OAR INDICATED
DEVILS GARDEN	NA	5,439	3,306	NA	\$1,376	9.5%	393		
D-1	\$4,000,000	395	300	\$ 13,333	\$1,570	11.78%	432	0.910	10.72%
D-2	\$4,050,000	500	409	\$ 9,902	\$644	6.51%	274	1.435	9.34%
D-3	\$18,500,000	1,242	870	\$ 21,264	\$2,367	11.13%	470	0.837	9.31%
H-41	\$37,085,000	3,444	2,392	\$ 15,504	\$1,266	8.16%	345	1.140	9.30%
H-42	\$27,500,000	2,156	1,506	\$ 18,260	\$1,636	8.96%	400	0.983	8.81%
High-10	\$12,600,000	909	803	\$ 15,691	\$1,658	10.56%	451	0.872	9.21%
AVERAGE INDICATED ADJUSTED OAR FOR DEVILS GARDEN GROVE									9.45%
ANALYSIS AND ADJUSTMENT OF OAR DUNWODY/ALCOMA GROVE									
GROVE/ SALE #	GROSS SALE PRICE ADJUSTED*	SIZE TOTAL GROSS ACRES	CURRENT GROVE ACES	PRICE / CURRENT GROVE AC	ESTIMATED INCOME / AC	ESTIMATED OAR	PRODUCTION BOX / AC	ADJUSTMENT FACTOR	ADJUSTED OAR INDICATED
DUNWODY ALCOMA	NA	9,441	3,418	NA	\$741	6.50%	285		
D-1	\$4,000,000	395	300	\$ 13,333	\$1,570	11.78%	432	0.660	7.78%
D-2	\$4,050,000	500	409	\$ 9,902	\$644	6.51%	274	1.041	6.78%
D-3	\$18,500,000	1,242	870	\$ 21,264	\$2,367	11.13%	470	0.607	6.76%
H-41	\$37,085,000	3,444	2,392	\$ 15,504	\$1,266	8.16%	345	0.827	6.75%
H-42	\$27,500,000	2,156	1,506	\$ 18,260	\$1,636	8.96%	400	0.713	6.39%
High-10	\$12,600,000	909	803	\$ 15,691	\$1,658	10.56%	451	0.632	6.68%
AVERAGE INDICATED ADJUSTED OAR FOR DUNWODY/ALCOMA GROVE									6.85%
* Gross Sales Price Less Any Value of Crop or Excess Lands									

**SOUTHERN CITRUS GROVE**

## SALES COMPARISON APPROACH TO VALUE, CONT'D.

### SOUTHERN CITRUS GROVE

The Southern Citrus Grove represents the largest of the three groves operated by the Southern Gardens Groves Corporation. This grove is located at the southern end of Hendry County, approximately 23± miles south of SR 80. This grove, at the time of our inspection, was in relatively poor condition with the exception of approximately 2,000± acres of young citrus which appeared to be in excellent condition and was, for the most part, approximately 4 years old. The balance of the trees located throughout the remaining producing areas were reportedly heavily impacted by diseases and hurricanes occurring in 2005. These trees, which are low-producing (estimated 177 boxes per acre per year), show significant signs of the presence of greening or HLB infections. The reported rate of infection caused by HLB is the highest within this grove of any of the Southern Gardens Groves. HLB reported in this grove is at a level of 16%.

Production figures for this grove increased significantly after Hurricane Wilma in 2005 and then declined during the most recent season. Grove operators anticipate and have projected that production will continue to decline through the next growing season and then stabilize for the following two seasons. The Southern Citrus Grove appears to be capable of being rejuvenated by replanting, once young citrus trees become available. The grove manager reported that the young trees are expected to help stabilize production and that new trees will be replanted once nursery stock becomes available.

The significant portion of this grove, some 1,658± acres, has been improved for citrus, but remains unplanted. This land carries with it the necessary infrastructure to support citrus, including laser leveling of the land, creation of the various rows, drainage structures, and irrigation, etc.

## **SALES COMPARISON APPROACH TO VALUE, CONT'D.**

### **SOUTHERN CITRUS GROVE, CONT'D.**

Our analysis and value estimate for this citrus grove will be divided into three distinct areas. The first of these areas is represented by the established, low-producing, existing "old" grove consisting of approximately 7,773± acres of marginal grove. The second area consists of some 2,000± acres of young grove which would be expected to become a producing component of the grove in the near future. The third component is represented by those lands which have been developed for citrus production, but remain unplanted.

Discussed below are those comparable sales upon which we have relied to value the various component parts of the citrus grove. Each sale will be individually discussed and compared to that portion of the grove to which it is most similar.

### **SALES COMPARED TO 7,773±-ACRE "OLD" GROVE**

#### **Sale D-2**

This comparable sale involves the December 2007 transaction of 500 acres of citrus grove containing a total of 409 grove acres. This grove is a relatively low producer at some 274 boxes per acre, however, still significantly exceeds the production levels for that area of older portions of the Southern Citrus Grove which are estimated to produce only 177 boxes per year. This grove was reported to be in average condition at the time of sale, and there was a number of young trees coming into production. There are approximately 24% skips in this grove.

In general, the condition of this grove was considered to be superior to that portion of the subject grove identified as "old grove" which was notably in relatively poor condition. This grove also had significantly greater production than the subject, therefore, suggesting that this sale indicating \$9,900/grove acre would be indicative only of the upper range of value for that portion of the subject property considered to be "old" or established grove.

**SALES COMPARISON APPROACH TO VALUE, CONT'D.**

**SALES COMPARED TO 7,773±-ACRE "OLD" GROVE  
SOUTHERN CITRUS GROVE, CONT'D.**

**Sale D-4**

This comparable sale involved a grove which was reported to be in relatively poor condition at the time of sale. This comparison is made as an indication of the appropriate range of value for that portion of the subject grove considered to be the "old" low-producing grove. Noting that this comparable sale was producing approximately 150-175 boxes at the time of sale, we see a similar production as compared to the subject. Caretaking for this grove was reported to have been minimal and inferior to that of the subject, even though this grove recovered after the date of sale. The sale of this property at some \$6,531/grove acre is judged to be a low-range indication of value for that portion of the Southern Citrus Grove which is considered to be the "old" grove due primarily to inferior condition.

**Sale H-40**

This comparable sale involves a transaction in May 2008 of a 1,046±-acre grove which contains 637 grove acres. This grove's trees consisted of early-mid Valencias, as well as Red and White grapefruit. The grove was reportedly in poor condition at the time of sale, with modest production figures. This comparable sale was considered to be inferior to that portion of the subject which would be classified as "old" grove and, therefore, the price indication of some \$6,907/grove acre is judged to be a low-range indication of value for that portion of the grove identified as "old" grove as of the effective date of our analysis.

**RECONCILIATION OF COMPARABLE SALES**  
**SOUTHERN CITRUS GROVE**

Comparable sales employed for the purpose of valuing the Southern Citrus Grove consists of two primary and distinctly different classes of sales. The first of these represents the sale of properties which involved older groves which were in somewhat poor condition and low-producing groves. The value indications for the old section of Southern Citrus Grove indicated by these comparable sales suggested prices of \$9,900/grove acre, \$6,530/grove acre, and \$6,900/grove acre.

Recognizing that this portion of the subject grove is in relatively poor condition, with anticipations of continued decline in certain areas, we have favored these low-range sales as primary indicators of value. The final value estimate reflects somewhat of a median range at \$7,500/grove acre. This value estimate is applied to the 7,773± acres of the Southern Citrus Grove currently identified as "old" grove.

**7,773± Grove Acres @ \$7,500/Grove Acre = \$58,297,500.**

as of August 15, 2008.

## RECONCILIATION OF COMPARABLE SALES, CONT'D.

### SALES COMPARED TO "YOUNG" GROVE – SOUTHERN CITRUS GROVE

#### Sale D-3

This sale involved a grove considered to be in excellent condition at the time of sale, consisting predominantly of Valencias and Pineapple oranges which were 9 years of age. The grove was expected to significantly increase production which was, at the time of sale, reported to be 470 boxes. This sale is considered only in direct comparison to that portion of the subject grove which is approximately 4 years old, consisting of approximately 2,000± acres. At \$21,264/grove acre, this sale is considered only an extreme upper-range indication of value, as the subject's 2,000± acres of "young" citrus are currently producing small quantities of fruit.

#### Sale H-42

This comparable sale is used to analyze the value of the approximately 2,000± acres of the subject property consisting of young, i.e. 4-year-old trees. While superior to the subject in that these trees at the time of sale were producing significant income, this grove was reported to consist predominantly of young trees, whose future potential should increase. This characteristic is considered to be similar to that component of the subject where young trees will soon come into production. Reported to be producing some 400± boxes per grove acre, and having a density of approximately 151 trees per acre, this sale property is considered to be similar to the 2,000±-acre component of the subject. The indicated price of \$18,260/grove acre is judged to be an upper range indication of value for the 2,000± acres, recognizing that this grove had advanced to a stage where income production was significant in contrast to that portion of the subject Southern Citrus Grove consisting of young trees which have yet to become income producing.

**SALES COMPARISON APPROACH TO VALUE, CONT'D.**

**SALES COMPARED TO "YOUNG" GROVE – SOUTHERN CITRUS GROVE, CONT'D.**

**Sale HAR-20**

This comparable sale is similar to the subject in that an allocated price to indicate the price paid for young citrus grove trees has been capable of being extracted from a larger parcel. This grove consists of approximately 1,638± gross acres, 354± acres of which have been planted in citrus which is now approximately 6 years old. The balance of the grove had been pushed due to diseases, and there remains some 816± acres of bedded plantable land which now could be replanted. The price indicated by this comparable sale was specifically allocated by the purchaser and verified. The indicated price for the young grove at \$14,500/grove acre was considered to be a significant indicator of value for that portion of the Southern Citrus Grove which consists of 2,000± acres of 4-year-old citrus trees.

**Sale HIGH-11**

This comparable sale is also considered to be a significant indicator of value for that portion of the subject grove consisting of 2,000± acres of 4-year-old citrus. This grove, selling in December 2006, reportedly had relatively low production from trees that ranged from very young to approximately 8 years of age. This grove, expecting to be an up and coming grove with dramatic increases in production anticipated, reflected a price per grove acre for the young trees at \$13,256/grove acre. This value indication is considered to be most appropriate and is directly applied to the evaluation of the young portion of the Southern Citrus Grove.

**SALES COMPARISON APPROACH TO VALUE, CONT'D.**

**RECONCILIATION OF COMPARABLE SALES  
SOUTHERN CITRUS GROVE, CONT'D.**

**2,000± ACRES OF "YOUNG" GROVE**

The second component of the Southern Citrus Grove consists of approximately 2,000± acres of young citrus which is reported to be approximately 4 years old. This area appears to be in excellent condition, having been well-maintained, and is expected to come into production in the reasonably near future.

We have valued this component of the citrus grove by reviewing the sales of other citrus lands improved with younger citrus which would also be expected to have increased production in their future. The general range of value for these sales is from approximately \$13,200/grove acre to \$21,000/grove acre. Recognizing that the upper range of value indicated is from groves which are currently producing and creating substantial income, the lower range of value is favored as the subject 2,000± acres of young grove have yet to produce significant income.

In the final analysis when developing the Sales Comparison Approach to value, a price of \$14,500/grove acre has been favored for this young section of the Southern Citrus Grove.

**2,000± Grove Acres @ \$14,500/Grove Acre = \$29,000,000.**

as of August 15, 2008.

## **SALES COMPARISON APPROACH TO VALUE, CONT'D.**

### **VALUE OF CURRENTLY UNPLANTED CITRUS LANDS**

Each of the three subject citrus groves also has, as a component of the entire citrus grove, lands which are classified as currently unplanted citrus acres. For the most part, these lands have previously supported citrus trees and have been income-producing. Due to the shortage of available stock of young citrus trees, these lands have not been replanted and currently await further production from nurseries in order to become productive.

Lands classified as currently unplanted citrus acres are traditionally improved by laser-leveling, bedding, and micro-jet irrigation, and are typically a component of the existing groves. Within the Southern Citrus Grove, a total of 1,658± acres of land have been identified as currently unplanted citrus acres. Devil's Garden Grove contains 62± acres of unplanted citrus acres and the Dunwody/Alcoma Grove contains 2,739± acres of unplanted citrus.

These lands are valued separately from the existing groves as they represent an asset which contributes value to each of the individual groves since they are capable of being replanted and becoming income-producing. To value this component of each grove, a Sales Comparison Approach to value has, once again, been applied.

A variety of comparable sales have been researched in the course of completing this entire appraisal assignment and include many lands located in close proximity or within similar market areas compared to these currently unplanted citrus acres. Those sales will be further discussed within subsequent sections of this appraisal report where agricultural components of the USSC holdings are independently valued.

Separate and distinct comparable sales involving lands previously used for citrus which have the capacity to be brought back into production have been researched and analyzed for the purpose of valuing this component of each grove. These sales are individually discussed and reconciled on the following pages.

**SALES COMPARISON APPROACH TO VALUE FOR  
CURRENTLY UNPLANTED CITRUS LANDS, CONT'D.**

**Sale D-4**

This sale is included primarily as an indication of the value of underlying land for a citrus grove, as this sale was verified to have sold at a price which was close to land value. The total size of the grove estimated at 1,922± acres includes 1,623± acres classified as "current grove acres." This "current grove acre" area is composed of approximately 917± acres of Hamlin and 706± acres of Valencia oranges. Approximately 40% of the grove was reported to have been in severe decline due to Tristasia. The balance of the overall grove was reported to be in poor condition at the time of sale, and there were in excess of 25% skips, including missing and dead trees within the grove. This grove was reported to have been producing 150-175 boxes per acre. The value indication of \$6,531/grove acre which, in this case, is considered to be equivalent to and a measure of the value of the current unplanted citrus acres associated with the subject properties, is considered a high-range indication of value, as this grove was still marginally income-producing at the time of sale.

**Sale D-5**

This comparable sale involved an old grove originally planted in the 1980's. The condition of the trees had deteriorated to the point that the sale reflected no value for the trees and the resulting price per grove acre reflected only the value for the underlying land. The irrigation system, although in place, was reported to be inoperable at the time of the sale. This property did, however, include some 780± acres of current plantable grove acres which had been developed for citrus production. Subsequent to the sale, this property was converted to a cattle ranch. In the final analysis, this sale indicating some \$5,384/grove acre is considered to be a significant indicator of the value of those portions of each subject citrus grove classified as currently unplanted citrus acres.

**SALES COMPARISON APPROACH TO VALUE FOR CURRENTLY UNPLANTED CITRUS ACRES, CONT'D.**

The above-described comparable sales indicate values for improved citrus land which is part of a larger citrus grove capable of being replanted. The basic range of value indicated is from approximately \$5,400/acre to \$6,500/acre. The upper range of value is set by the sale of a property which was improved with a marginal grove which remained income-producing, even though in a state of severe decline. The income produced by this existing grove was reported to have influenced the price per acre paid and, therefore, suggests that at \$6,500/grove acre, this sale would indicate more than just the value for the grove land. For this reason, the lower range of value has been favored, where the value of the land associated with each of the three subject groves classified as currently unplanted citrus acres has been valued at \$5,500/grove acre. The contributory value of the current grove acres which are unplanted will be added to each of the three subject groves when a value estimate is developed employing the Direct Capitalization Approach.

**FINAL VALUE ESTIMATE FOR SOUTHERN CITRUS GROVE**

**SUMMARY OF VALUE**

**SOUTHERN CITRUS GROVE**

<u>Value of "Old" Grove:</u>	
7,773 Acres @ \$7,500/Acre =	\$58,297,500.
<u>Value of "New" Grove:</u>	
2,000 Acres @ \$14,500/Acre =	\$29,000,000.
<u>Value of Unplanted Citrus Land:</u>	
1,658 Acres @ \$5,500/Acre =	<u>\$ 9,119,000.</u>
<b>TOTAL VALUE:</b>	<b>\$96,416,500.</b>

as of August 15, 2008.

## **SALES COMPARISON APPROACH TO VALUE, CONT'D.**

### **DISCUSSION OF EXCESS LANDS**

A final component of each of the three Southern Gardens Groves Corporation's groves is land included within the grove, the contribution value of which is inherently captured in the value estimates produced by the Sales Comparison Approach and the Income Approaches to value. These lands include areas dedicated to roadways, reservoirs, canals and lands which could not be brought into production independently, but still remain part of the grove. This area also includes lands which are environmentally sensitive and which are not used agriculturally and could not be economically used for agricultural production. Many of these environmentally sensitive areas or lands within the larger groves have no measurable utility, as they cannot be accessed without compromising the integrity of the citrus trees that surround these lands.

The value of these non-contributing lands has been inherently included within our final value estimate for each of the groves, as the improved comparable grove sales upon which we have based the Sales Comparison Approach also include similar non-producing lands. The excess lands identified and discussed at this point refer only to lands which do not have the capacity to be planted with citrus trees.

<b>SUMMARY OF VALUE ESTIMATE SOUTHERN CITRUS GROVE</b>					
<b>Summary of Data and Sizes</b>					
Gross Acres			17,723	ac	
Acres Developed for Citrus			11,431	ac	
Undeveloped Acres			6,292	ac	
Current Unplanted Citrus Acres			1,658	ac	
Current Grove Acres			9,773	ac	
Current Net Planted Tree Acres			7,678	ac	
<b>SALES COMPARISON APPROACH</b>					
Old Grove Acres	7,773	acres @	\$ 7,500	per ac =	\$ 58,297,500
Resets 4 year Old	2,000	acres @	\$ 14,500	per ac =	\$ 29,000,000
Total Current Grove Acres	9,773	acres			\$ 87,297,500
Uplanted Citrus Acres	1,658	acres @	\$ 5,500	per ac =	\$ 9,119,000
Supporting And Non-Productive	6,292	acres @	\$ -	per ac =	\$ -
Total Value of Southern Citrus Grove					\$ 96,416,500

**INCOME APPROACH  
DEVIL'S GARDEN GROVE &  
DUNWODY/ALCOMA GROVE**

## **INCOME APPROACH TO VALUE**

The second appraisal technique which has been developed for each of the three citrus groves is the Income Approach to value. Our analysis of the income-producing potential of these groves suggests that only the Devil's Garden Grove and the Dunwody/Alcoma Grove may appropriately be valued using this approach. The Southern Citrus Grove cannot be valued employing an Income Approach, as currently the net income being produced by that grove is less than the actual expense of the grove operations.

This appraisal technique is based upon the Principle of Anticipation which states that the value of a property may be estimated by evaluating the potential net benefits of owning the real estate which are reflected in the form of net income which the property is capable of producing.

Citrus groves clearly represent a class of real estate which is considered by the market to be income-producing commercial property where potential net annual income is used as a tool to estimate the value of the real estate. In many respects, a citrus grove is similar to a commercial office building, a hotel, or other real estate which is considered to have value due to its potential for generating income. Likewise, the value of a citrus grove is directly related to the market's anticipations of the future benefits in the form of net income which the grove will produce.

When developing an Income Approach to value, the appraiser has employed and worked with several experts who specialize in the evaluation of citrus groves. These experts have both the knowledge and experience to effectively evaluate the multitude of components which must be considered in order to realistically estimate the current market value of the groves. Factors such as soil characteristics, root stock, age of trees, level of disease, climate, proximity to processing facilities, fruit variety, productivity of fruit, caretaking expenses, and "pick and haul" costs represent only a sampling of the various factors which must be taken into consideration in order to develop an analysis resulting in a credible value estimate for the groves.

## **INCOME APPROACH TO VALUE, CONT'D.**

To effectively develop this value estimate, we have collected information from the current owners and operators of the Southern Gardens Groves Corporation, interviewed other active market participants, worked with other appraisers who have the experience and knowledge required to value citrus, and reviewed numerous documents which collectively provide an opportunity to predict the future income-producing capabilities of each of the subject groves.

### **PRODUCTION**

The first step when applying the Income Approach involves the estimation of the future production levels for each of the Southern Gardens Groves Corporation's groves. This has been accomplished by reviewing historical and projected production records, and by considering possible changes which may result due to the ages of trees and presence of disease, as well as other factors. The projected production is quantified by developing an estimate of the total number of boxes of fruit that each grove may be anticipated to produce in the future.

When estimating the production for the various groves, the total number of boxes produced by the grove must then be divided into the various varieties of round oranges grown within each of the subject groves. Individual varieties are known to produce different "pound solids", which is a measure of the amount of soluble solids, that is sugar and acid, contained within one box of fruit. The total pound solid for production is then converted into an estimate of gross income by multiplying this factor times the anticipated price per pound solid for the various varieties of fruit. The estimate of the appropriate price per pound solid has been accomplished by reviewing Florida Concentrated Orange Juice Futures information contained in various documents and information which report such historical data. In addition, experts in the field of citrus evaluation have been consulted to further establish an appropriate price per pound solid to be reviewed.

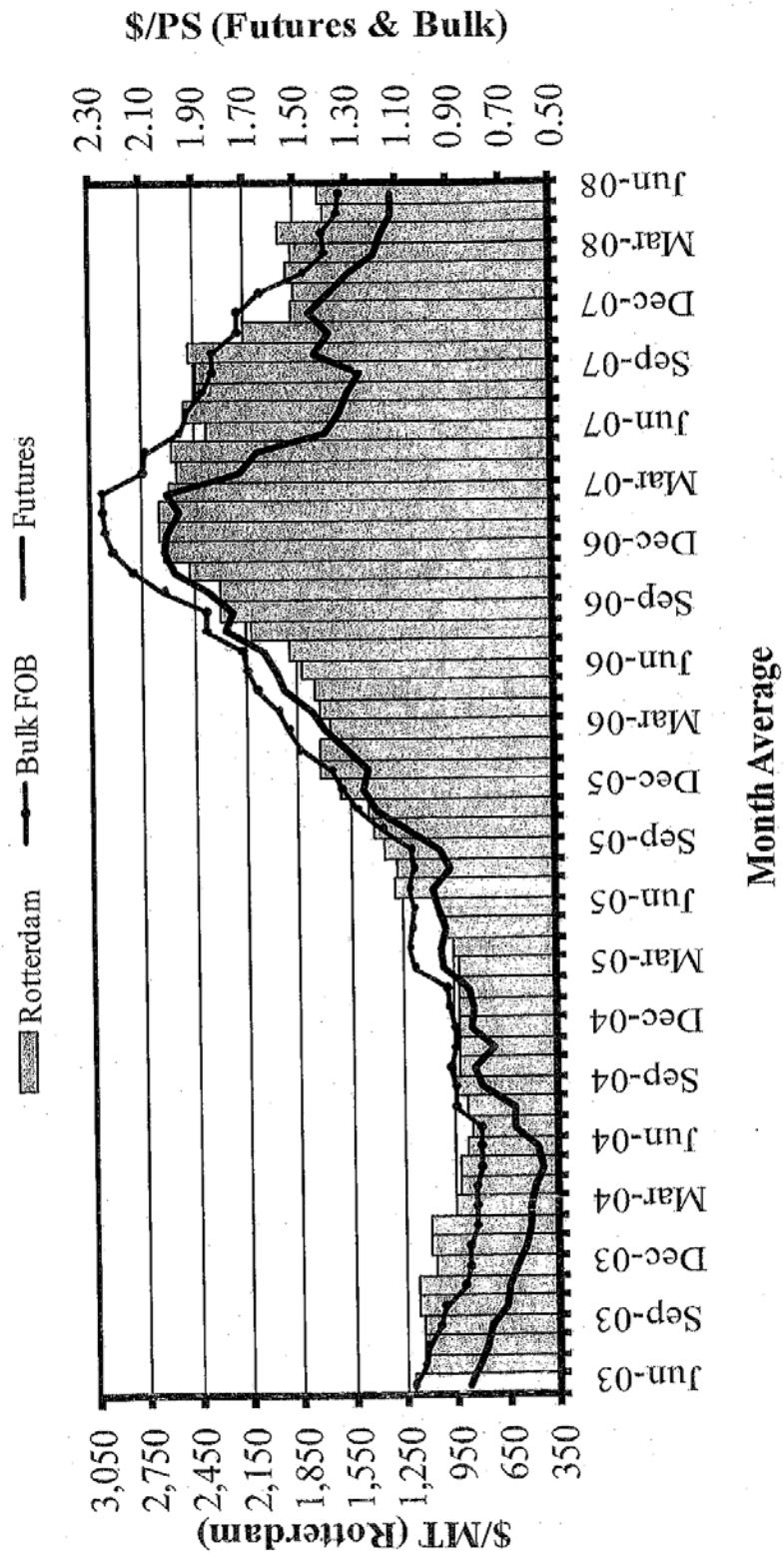
## **INCOME APPROACH TO VALUE, CONT'D.**

### **PRODUCTION, Cont'd.**

The general range of price per pound solid over the last several years has been from approximately \$1.00 per pound solid to in excess of \$2.25 per pound solid. Found on the following page is FCOJ Futures graph which shows the basic trends for pound solid estimated. For the purpose of this analysis, we have estimated early-mid oranges to be priced at \$1.55 per pound and late oranges or Valencias to be priced at \$1.65 per pound. This estimate is produced after conducting interviews with various knowledgeable individuals who continually review anticipations of future pricing with active citrus market participants. The projected or estimated price per pound solid effectively stabilizes and gives consideration to the average price per pound solid indicated over the past three years as reflected on the graph shown on the following page.

The final step in estimating the total gross potential income is accomplished by multiplying the total number of boxes of oranges produced for each variety times the total pound solid for that variety. This calculation results in an indication of the total potential gross annual income which can be produced by the citrus grove.

# FCOJ Futures, Florida Bulk FOB & Rotterdam Monthly Average Prices June 2003 through June 2008



SOURCES: ICE (Futures); FCM (Bulk); Foodnews (Rotterdam).

## **INCOME APPROACH TO VALUE, CONT'D.**

### **EXPENSES**

The next step involves the development of an estimate of the total expenses which the grower will incur to produce a crop. The first of these expenses is called a caretaking expense, which represents the total cost incurred to water, fertilize, spray and care for the crop during the season. Caretaking expenses are typically expressed as a dollar per grove acre per season. Expenses applicable to the subject groves have been estimated by reviewing actual historical expenses reported, as well as considering projected expenses for the subject groves. These costs have then been compared to other known costs incurred throughout the State of Florida for similar caretaking expenses.

Additional expenses are also incurred for the harvesting of the fruit, which are known as "pick and haul" costs. These expenses are typically expressed as a cost per box, and may best be identified by historical costs with consideration given to any cost increases due to increased cost of fuel and distance from the citrus processing plant.

Management expenses are often also considered in the evaluation and income analysis of a producing citrus grove. As employed in this appraisal, no specific management charge has been deducted, however, management costs have been considered and would be inherently reflected within our value estimate. This management expense has been incorporated into the final value estimate by the analysis of comparable citrus sales where capitalization rates have been extracted and no management expense has been deducted. The resulting capitalization rates, therefore, inherently reflect management cost to a level equal to that cost anticipated by the local market.

## **INCOME APPROACH TO VALUE, CONT'D.**

### **EXPENSES, CONT'D.**

Real estate taxes represent an additional expense that growers must incorporate into their estimate when developing a projection of the net income which the grove is capable of producing. Taxes for each of the subject groves have been estimated by reviewing the actual taxes currently being charged on a price per acre basis by Hendry County.

Once the total expenses of the grove operation have been deducted from the projected gross annual income estimate, a net income estimate may be projected. This net annual income is then "capitalized" into a present value indication employing an appraisal technique known as Direct Capitalization.

This final step is accomplished by dividing the overall rate into the net annual income estimate which results in an indication of the value of the citrus grove via this direct capitalization technique.

The estimation of the overall capitalization rate most appropriate for each of the citrus groves valued via the direct capitalization process is, in our opinion, best accomplished by extracting actual overall rates from the market. Our analysis suggests that there is a direct relationship between the productivity of a citrus grove and the overall rate. That is to say that as the productivity and profitability of a citrus grove increases, the overall rate also increases. For this reason, we have found that the overall rate most appropriate for the Devil's Garden Grove, which is the highest producing component of the Southern Gardens Grove Corporation, reflects a higher overall rate than the Dunwody/Alcoma Grove which is a modest producer.

A variety of other factors can come into play when extracting overall rates from sales of active citrus properties. These include the age and condition of the grove, which oftentimes reflect the market's anticipation of any changes in income which could logically be expected. In the final analysis, we have attempted to directly compare the overall rates extracted from comparable citrus grove sales having similar productivity to the subject grove which is being appraised. Those overall rates have been further developed when previously discussing and reconciling comparable sales of citrus properties within prior sections of this appraisal report.

## **VALUE ESTIMATE OF UNPLANTED CITRUS ACRES**

Where appropriate, the appraisers have also considered any contributory value of lands associated with each of these citrus groves which are considered to be non-producing. These areas may be divided into two separate and distinct classes of land.

The first of these areas is considered to be land which has been previously developed for citrus cultivation, but is currently unplanted. By way of example, the Devil's Garden Grove includes a total of some 3,368± acres of land which has been developed for citrus production. Further review of the information provided indicates the current grove acres to be 3,306± acres. This, therefore, indicates that approximately 62± acres of the Devil's Garden Grove has been developed for citrus, but remains unplanted. This land, while contributing no income as it is currently not growing citrus, still has value specifically related to the citrus grove. This land is capable of being re-set with young citrus trees which, after a 3-5 year time period, would also become income-producing. This land has been valued by employing a Sales Comparison Approach to value. In this approach, the sales of other improved agricultural lands which are capable of future income production have been directly compared to this component of the citrus grove to yield an indication of the appropriate price per acre which this additional land contributes.

The value of these individual components has been previously developed and shown within the Sales Comparison Approach to value. The value of each of these non-productive lands will be added to the value derived by the direct capitalization process.

## INCOME APPROACH – DEVIL’S GARDEN GROVE AND DUNWODY/ALCOMA GROVE

### PRODUCTION FORECAST

When estimating the future production for the Devil’s Garden Grove, we have given consideration to the historical production which has been provided by the USSC Property Information Sheet. The historical production of this grove indicated that for season 2005-2006, a total of                    boxes were produced. The next growing season, that is 2006-2007, produced                    boxes, representing a 2.6% increase from the prior season. For season 2007-2008, a total of                    boxes were produced. This represented a significant increase at approximately 23.1%.

Projections for this grove anticipate a 20% increase reflecting a total of                    boxes to be produced in 2008-2009. Projections for the next season increase at a rate of 8.3% to                    boxes and then a 7.7% increase for the following season, and final year projections at                    boxes.

The Devil’s Garden Grove was considered to be the most productive of the Southern Gardens Groves Corporation groves. The condition of the grove, level of disease, and its historical production all suggest that this will be a viable economic grove within the foreseeable future. We have also learned that in prior years, the maximum production historically experienced was at                    boxes. For the purpose of our analysis, we have estimated                    boxes to be produced by the grove. This effectively measures a stabilized estimate, as the age of the grove would suggest that production levels would remain somewhat constant in the foreseeable future.

## **INCOME ANALYSIS – DEVIL’S GARDEN GROVE AND DUNWODY/ALCOMA GROVE, CONT’D.**

### **ESTIMATE OF EXPENSES**

The primary expense incurred in a season relates to caretaking costs which are required to produce a citrus crop. We have considered two indications of general cost of crop production of caretaking, the first of which is the actual reported costs for caretaking of the subject grove.

During interviews of the current operators of this grove, we have learned that costs have increased significantly in the past several years. Less than two years ago, a typical cost per acre applied to the current grove acres at \$1,200/acre was common. Increased costs of fertilizers, fuel costs, and required spraying have resulted in an increase in that cost to a current estimate for this year’s growing season in the amount of \$1,410/acre. Owner-provided projections anticipate that these costs will continue to increase at a level of approximately 2% to 3%. We find these caretaking costs to be consistent with other reported costs for groves throughout south Florida. Typical costs reported as of the date of the writing of this report range from approximately \$1,200 to \$1,500 per acre. For the purpose of this analysis, we have estimated caretaking costs in the amount of the actual costs projected, as these are considered to be most reliable, at some \$1,452/acre.

An additional expense can also be anticipated for costs of picking and hauling, or harvesting expense. Pick and haul costs apply to both fruit varieties which are predominantly found within the subject groves. These costs have also increased in recent years from a base level of approximately \$2.25/box to costs as high as approximately \$2.85/box. Industry standards suggest that this range of value is most appropriate for the subject. We have given consideration to the fact that the Dunwody/Alcoma Grove produces less fruit and, therefore, might be expected to have higher pick and haul costs than the Devil’s Garden Grove which enjoys a higher production of boxes per acre. We believe this factor is largely equalized by the greater distance that the Devil’s Garden Grove lies from the fruit processing plant. This factor, being effectively offset, has resulted in our conclusion that an appropriate rate of pick and haul costs for both groves would be based upon \$2.60/box.

**INCOME ANALYSIS – DEVIL’S GARDEN GROVE AND  
DUNWODY/ALCOMA GROVE, CONT’D.**

**ESTIMATE OF EXPENSES, CONT’D.**

Real estate taxes also represent an expense incurred by the citrus grower on an annual basis. Estimates of real estate taxes have been obtained by reviewing actual taxes assessed by Hendry County for the subject property and have been applied by allocating the gross price per acre for taxes to the current grove acres.

Once the gross annual income has been estimated for the grove and expenses have been deducted to reduce the gross annual income to net income estimates, direct capitalization of this net income results in an indication of the value of the citrus grove as of a current date.

The final value estimate for each of the groves, that is the Devil’s Garden Grove and Dunwody/Alcoma Grove, is accomplished by adding the excess land considered to be improved citrus land which remains unplanted. Shown on the following pages are summary sheets detailing the estimates of income and expenses and resulting value indication through the process of direct capitalization. Final estimates for excess lands or additional lands which are capable of being planted are also shown, as well as the final value indication via the Income Approach.

DIRECT CAPITALIZATION DEVIL'S GARDEN CITRUS GROVE							
<b>Summary of Information Provided</b>							
Gross Acres			5,439	Ac			
Acres Developed for Citrus			3,368	Ac			
Undeveloped Acres			2,071	Ac			
Current Unplanted Citrus Acres (canker eradication)			61.80	Ac			
Current Grove Acres			3,306	Ac			
<b>INCOME APPROACH DIRECT CAPITALIZATION</b>							
<b>Devil's Garden Grove Projected Gross Income Estimate</b>							
<b>Gross Income Estimate</b>							
Early (est 1/3)		Boxes @	5.75	Pounds Solids@	\$ 1.55	/LB =	\$
Late (est 2/3)		Boxes @	6.30	Pounds Solids@	\$ 1.65	/LB =	\$
							\$ 12,871,726
<b>Less Expenses</b>							
Pick/Haul/DOC Cost		Boxes @	\$ 2.60	Per Box =			\$ 0
Caretaking Cost	3,306	Acres		@ Cost /AC	\$ 1,452	=	\$ 4,800,167
Real Estate Taxes		\$ 240,384	\$ 43.12	PER AC			\$ 142,550
Total Estimated Expenses							\$ 8,322,717
Net Annual Income Estimate							\$ 4,549,009
Capitalization of Net Annual Income Estimate				9.50%			\$ 47,884,300
Indicated Price Per Acre				\$ 14,484			
ADD VALUE OF UNPLANTED CITRUS LANDS		62	ACRES @	\$ 5,500	/AC =		\$ 339,900
TOTAL VALUE INDICATION							\$ 48,224,200

## DUNWOODY/ALCOMA CITRUS GROVE

<b>DUNWOODY/ALCOMA CITRUS GROVE</b>							
<b>Summary of Information Provided</b>							
Gross Acres				9,441	Ac		
Acres Developed for Citrus				6,157	Ac		
Undeveloped Acres				3,285	Ac		
Current Unplanted Citrus Acres (canker eradication)				2,739	Ac		
Current Grove Acres				3,418	Ac		
<b>INCOME APPROACH DIRECT CAPITALIZATION</b>							
<b>Dunwoody/Alcoma Projected Gross Income Estimate</b>							
<b>Gross Income Estimate</b>							
Hamlin (Early/Mids) 33%		Boxes @	6.00	Pounds Solids@	\$ 1.55	/LB =	\$
Valencia 67%		Boxes @	6.75	Pounds Solids@	\$ 1.65	/LB =	\$
		285.26	per ac				\$ 10,267,847
<b>Less Expenses</b>							
Pick/Haul/DOC Cost		Boxes @	\$ 2.60	Per Box =	\$		
Caretaking Cost	3,418	Acres	@ Cost /AC	\$ 1,452			\$ 4,962,791
Real Estate Taxes	\$ 631,318		\$ 68.37				\$ 233,682
<b>Total Estimated Expenses</b>							<b>\$ 7,731,473</b>
<b>Net Annual Income Estimate</b>							<b>\$ 2,536,374</b>
<b>Capitalization of Net Annual Income</b>			OAR		6.75%	=	<b>\$ 37,575,915</b>
<b>Indicated Price Per Acre</b>		<b>\$ 10,994</b>					
<b>ADD VALUE OF UNPLANTED CITRUS LANDS</b>			2,739	ACRES @	\$ 5,500		<b>\$ 15,062,300</b>
<b>TOTAL VALUE INDICATION</b>							<b>\$ 52,638,215</b>

**SOUTHERN GARDEN GROVE  
CORPORATION  
SPECIAL-PURPOSE IMPROVED  
CITRUS NURSERY  
GILCHRIST COUNTY, FLORIDA**

## **SUBJECT PROPERTY IDENTIFICATION**

The subject of this appraisal is a unique property consisting of 80 acres of land historically used for agricultural and rural residential purposes. In 2006, this tract was purchased by the Southern Gardens Groves Corporation and then subsequently improved with special-purpose greenhouse structures designed to grow disease-free citrus trees. These trees are being grown for the purpose of replacing the existing hurricane damaged trees or those lost to disease which are located within the Southern Gardens Grove Corporation's three citrus groves located in Hendry County, FL. These improvements are considered to be special-purpose in nature as they are uniquely designed and constructed to accommodate a nursery operation not common to Gilchrist County or the northern portion of the State of Florida. This represents another example of how the United States Sugar Corporation holdings have been designed to effectively support the ongoing combined business entity.

The problem to be solved in this case is one of estimating the current market value of this property which, in our opinion, can best be accomplished by employing a Cost Approach to value.

## **HISTORY OF SUBJECT PROPERTY**

The subject property was historically used for agricultural and rural residential purposes. The 80-acre tract was the site of an old homestead which included a residence which was demolished subsequent to the purchase of the site in 2006. The purchase of the property was recorded in Instrument #2006006574, and listed Gerald P. Thompson, et al, as Grantor, and Southern Gardens Citrus Nursery, LLC, as Grantee, for a total consideration of \$649,200, or \$8,201/Acre. After the property was purchased, a variety of improvements to the site were made, including roadways, filling of building areas, and construction of the special-purpose greenhouse facilities, with supporting improvements. Original plans for development anticipated the construction of a second greenhouse comparable to that which has been erected on the site.

## **GILCHRIST CITRUS NURSERY**

### **SUBJECT SITE**

The subject tract consists of approximately 80± acres of agricultural land located at 3620 S.E. 37<sup>th</sup> Avenue, Trenton, FL 32693 in Gilchrist County. The property lies within a rural section to the east of S.R. 47, and is accessed by a shell rock roadway.

Our inspection of the property revealed it to be a diverse and attractive property consisting of open improved pasture areas and rolling land, featuring numerous mature Live Oak and other north Florida trees. The property is formed by the combination of two 40±-acre blocks which were purchased by Southern Gardens Citrus Nursery, LLC, a division of the United States Sugar Corporation in September 2006.

The subject site is located along the eastern edge of a depressional area which appears on local maps to be identified as "Water's Lake." When inspecting the subject property, we noted that this lake did not contain water at a position tangent to the subject. The on-site manager described this as a "leaky bottom lake" and indicated that the lake does not hold water during certain times of the year. This lake, however, at other times of the year does contain water and is considered an attractive and desirable amenity.

Our inspection revealed the presence of a drainage ditch which passed through the approximate center of the southern 40-acre block. The survey prepared by C&E Engineering, Gainesville, FL, indicates that the right-of-way for this ditch is approximately 90 feet in width, and describes the ditch as a 90-foot-wide outfall drainage ditch easement, as recorded in Deed Book 4, Page 526. This survey indicates that the easement for the ditch passes somewhat diagonally through the eastern portion of the site, also described as an outfall drainage ditch, recorded in Deed Book 9, Page 271. The survey indicates there is no ditch within this portion of the easement, however, there is a 90-foot-wide drainage ditch easement which intersects with the eastern boundary of the subject property approximately midpoint within the second or southerlymost 40-acre tract which has been improved as an outfall ditch.



**GILCHRIST CITRUS NURSERY, CONT'D.**

**SUBJECT SITE, CONT'D.**

Access to the southern portion of the property lying southerly of the existing ditch was made possible by a concrete culvert that allowed us to cross the ditch which, at this point, appeared to be roughly 20-30 feet wide and approximately 4-6 feet deep. We noted no standing or moving water at the time of inspection within the conveyance ditch, which was reported by the on-site manager to have been developed many years prior to allow positive drainage of waters from SR 47, which lies to the west.

The northern one-half of the property, consisting of the first 40-acre block, has a dimension on the eastern boundary of 1,320.92± feet. The southern boundary of the 40-acre block, which also represents the northern boundary of the southern 40-acre block, has a dimension of 1,313.10± feet. The total size of the tract, based upon the survey, is indicated to be 79.16± acres, more or less.

Historically, the land has been used for agricultural and passive purposes, and was the site of an old homestead. While inspecting the site with the property manager, we learned that the old residence had been demolished to allow for the construction of the existing special purpose improvements which are included as part of this appraisal.

## **GILCHRIST CITRUS NURSERY, CONT'D.**

### **IMPROVEMENTS**

The primary improvement, which was completed in 2006, is a special purpose and uniquely-designed greenhouse which was developed by Greenhouse Specialists specifically for the production and growing of protected and disease-free citrus trees. This building measures approximately 290.5± feet x 240± feet, consisting of two distinct areas.

The first of these areas consists of two of seven sections within the building. This area is identified as the "head house" and is used primarily for the packaging and handling of small citrus trees. The head house features concrete floor, poly-carbonate exterior walls, and insulated roof structure. There is also a separate partitioned area for men's and women's restrooms within this portion of the greenhouse. The structure is identified as a U.G. Connolly's Manufacturing and Sales Gable Series 7500 A-Frame Greenhouse. The specifications indicate that the structure is glazed with painted 26-inch Galvalum steel sheeting, with 3-inch vinyl-backed Fiberglas insulation throughout. This head house, or production area, is made up of two connected structures measuring 41.5-foot x 240-foot x 12-foot high.

The second portion of this building, which is connected to and lies westerly of the head house, is the production area. This portion of the building is made up of five gutter-connected 41.5±-foot x 240-foot x 12-foot high U.G. Connolly's Manufacturing and Sales Gable Series 7500 A-Frame Greenhouses and is glazed with 8mm clear Lexon Twin Wall Polycarbon sheeting. This area houses the planted citrus product and features concrete floor, polycarbonate walls and roofing, supported by galvanized steel piping and aluminum substructure. Ventilation is provided by automated electrical fans which constantly control the temperature within the structure.

The interior of the production area has been further improved by the construction of multiple aluminum waist-high tables used to support the citrus being grown within this area. These tables are equipped with a "Dutch Roller System", which efficiently allows support trays to be easily and conveniently distributed throughout the entire building. This system allows the potted citrus to be moved and essentially stacked side-by-side without the creation of space-wasting access rows. This is accomplished when the trays of immature citrus trees are rolled across the table tops to be positioned tangent to one another in a continuous fashion. At the time of our inspection of this building, there were 214,000 citrus trees in various stages of maturity.



**PRIMARY PRODUCTION GREENHOUSE**  
**POLYCARBONATE GREENHOUSES**



## **GILCHRIST CITRUS NURSERY, CONT'D.**

### **IMPROVEMENTS, CONT'D.**

Additional features of this building include: heating provided by under-bench radiator water system; overhead automated sprinkling; and installed overhead screening, which provides shade as needed. This structure was reportedly engineered and constructed to withstand winds in excess of 100 mph and features a lifetime guarantee of the polycarbonate material.

Access to the structure is carefully controlled to prevent contamination of the growing citrus trees. A positive discharge exhaust fan system ensures that no contamination or insects reach the interior of the structure by providing a positive and forceful fan ventilation directed through the entryway to the exterior of the building. Canker spray stations for both pedestrians and automobiles also ensure the integrity of this area.

This building is serviced by 3-phase power and is also supplemented by a diesel-powered generation system which ensures that the carefully regulated exhaust fan continuously maintains a constant temperature and atmosphere which protects the young citrus trees at all times.

The structure was in like-new condition as it was recently constructed and has been very well maintained. No observed depreciation or items of deferred maintenance were noted during our inspection.

Located directly to the south of the larger structure is a second greenhouse which measures approximately 44 feet by 132 feet and constructed of polycarbonate material. This structure consists of two attached Quonset-hut type buildings lying tangent to one another, and constructed of bi-wall polycarbonate material attached to aluminum and galvanized frame.

## **GILCHRIST CITRUS NURSERY, CONT'D.**

### **IMPROVEMENTS, CONT'D.**

Positive ventilation is provided by electrical fans, and the buildings are heated by gas to prevent freezing of the small citrus trees being cultivated in this facility. This improvement is also considered to be special-purpose as its design is specifically related to the production of disease-free citrus which are then moved to and grown within the larger greenhouse structure previously described.

Our inspection of this property revealed this improvement to be in excellent or like-new condition, with no items of deferred maintenance or specific physical depreciation noted.

During our inspection, we also observed a like-new manufactured home used as the residence for the on-site manager. The home is manufactured by Prestige Manufactured Housing, and was originally constructed and erected on the site in 2006. This modular residence features fixed foundation, 3 bedrooms, 2 baths, kitchen, living room and modern features throughout. The structure measures 27 feet x 68.5 feet and contains an estimated 1,850± SF. The exterior is covered with colored vinyl siding, with trim around all aluminum windows, corners and special areas. The wood frame roof is covered with composition shingles, colored to compliment the exterior of the base structure, and features gable ends. The manufactured house is attractively styled and features bay windows, adequate cabinetry, carpeted floor, drywall walls, central heating and a/c, and was observed to be in excellent condition.



**INTERIOR ELEVATION OF 80 AC SITE  
HOME OF RESIDENT MANAGER**



## **GILCHRIST CITRUS NURSERY , CONT'D.**

### **IMPROVEMENTS, CONT'D.**

Also located on-site is a mobile home which is used as the office for Southern Garden Groves. This structure measures approximately 12 feet x 56 feet, and may be described as a typical and older aluminum-sided mobile home. The interior is finished with carpeted floors, pressboard interior walls, aluminum framed windows, and composite panel ceiling. The two bedrooms are used as office area, and there is a restroom within the mobile home. This structure was considered to only be in fair condition and, in our opinion, had an effective age of 15-20 years. When valuing this property within the reproduction cost estimate, the appraiser has presented the estimated contributory value of this improvement by giving consideration to significant depreciation and the improvement's physical condition, as well as its remaining economic life which is considered to be no more than approximately 10 years.

Our inspection revealed additional site improvements including a variety of utility sheds, most of which were in good condition. Two wells have been drilled on-site to provide water for both the residence and the agricultural operations. Miscellaneous fencing, lighting, landscaping and other site improvements were also noted.

## **DESCRIPTION OF SUBJECT MARKET AREA**

The subject market area is defined to be roughly the central rural portion of Gilchrist County. Several low-density residential communities and rural homesites were observed throughout the community. Much of the land has been retained in a native state, with little sign of significant growth and development occurring within the immediate area. Our inspection revealed the area to be relatively stable with no significant patterns of development observed within the immediate area of the subject. This led the appraisers to the conclusion that the general community and market area of the subject property will remain stable and be used predominantly for agricultural or low-intensity uses in the foreseeable future.

## **ZONING AND COMPREHENSIVE PLAN DESIGNATIONS**

The subject property is currently zoned "Agriculture-2". Examples of some of the permitted uses within the "A-2" district include a wide variety of agricultural activities, single-family homes, plant nurseries and greenhouses, public parks and recreational areas, as well as the processing, storage and/or sale of agricultural products and commodities raised on the premises.

There are a variety of uses permitted only with a special use permit and examples of those consist of riding or boarding stables, commercial kennel, golf course, religious facility, welding shop, and vehicle repair shop, just to name a few.

The minimum lot size within the "A-2" district is 5 acres, and the minimum lot width is 275 feet.

The Zoning and Future Land Use designations are the same within Gilchrist County.

## **DISCUSSION OF HIGHEST AND BEST USE**

The highest and best use of the subject property as vacant considers the site's potential for development by first considering those uses which are physically possible. Our inspection of the subject property and surrounding market area suggests that the subject is well elevated and well drained, and would accommodate most conventional uses. We note further that legally permissible uses would be represented by many of the uses identified within the current zoning which allows for low density residential and agricultural type uses. Finally, considering those uses which are financially feasible, it would appear at this point that the most financially feasible use of the property would be for an agricultural use or low intensity residential type development.

Giving consideration to the highest and best use of the property as improved, we note that the existing improvements are of special purpose design and currently function productively to facilitate the growing of citrus trees to be used in conjunction with the Southern Gardens Groves Corporation's ongoing citrus operations. These buildings, which are specifically designed to grow trees from seed in a sterile environment and prevent any exposure to possible citrus diseases, such as blight, canker or greening, are totally climate controlled and constructed in a manner which allows the secure development of the young citrus trees. Our inspection of this facility, as well as our inspection of the Southern Gardens Grove Corporation's producing groves in Hendry County, suggest that there is a significant demand for trees to be grown at this location and used for replacement. Alternatively, our investigation of the general citrus market throughout Florida suggests there is a very strong demand, as of the date of this appraisal, for disease-free citrus tree replacements. This special-purpose citrus nursery is widely recognized as a critical first step in developing replacement trees which can be certified free of diseases. This special-purpose property would, in our opinion, be well-suited for continued use as originally designed to provide trees not only to the parent corporation, but to other citrus operations throughout the state of Florida, as well.

In the course of this assignment, we have also come to understand that the citrus industry in general has a continuing need, and there exists a strong demand, for young citrus trees that can be certified as disease-free. Therefore, it is our conclusion, that the highest and best use of the property as improved is to retain, and possibly expand, the existing agricultural improvements for use in growing disease-free citrus trees.

## **SCOPE OF APPRAISAL**

The evaluation of the subject property gives consideration to the special-purpose nature of this property and its unique design which was intended to provide a disease-free and sterile citrus nursery. Special-purpose properties are commonly valued by employing a replacement cost analysis as such properties are seldom leased in the open market, or bought and sold by market participants. The lack of market information which would allow the appraiser to estimate an appropriate economic rental rate for such improvements, therefore, suggests that an Income Approach to value would not be appropriate. Likewise, the unique characteristics associated with these improvements make the comparison of sales of similar properties most difficult, as sales of other similar properties located within the subject market area were not available for analysis. This, therefore, suggests that the Cost Approach to value is the most appropriate technique to be employed for the purpose of completing this evaluation.

We began the development of the Cost Approach by first valuing the underlying 79.16±-acre site. The market value estimate of the land was developed by employing a Sales Comparison Approach to value. This approach involves the researching and analysis, and then verification and inspection of comparable land sales within the subject market area. These sales are considered individually and then directly compared to the subject as independent value range indications. The unit of comparison employed for this purpose is known as the price per acre unit of comparison. This unit of comparison is most commonly relied upon by buyers and sellers within the Gilchrist County market.

Shown within subsequent sections of this appraisal report are those comparable sales upon which the appraiser has relied for the purpose of valuing the underlying subject 79.16± acres of land. Following the comparable sales, a reconciliation of comparable sales data describes the comparison process employed and the indication of value resulting from the analysis of each sale. These sales are then reconciled to provide a final estimate of market value for the subject 79.16± acres.

## **SCOPE OF APPRAISAL, CONT'D.**

The second step of the Cost Approach involves the estimation of the current depreciated cost to replace all existing improvements found on the subject site. Two sources of cost have been considered when developing our estimate of replacement. The first of these is the actual cost to construct the existing improvements as reported by the current owner. The recent date of construction, in our opinion, reflects cost which can appropriately be considered to estimate the replacement cost of these improvements, as of our effective date of appraisal. These costs have been further verified by comparing the reported actual costs to cost estimates developed through the use of the Marshall & Swift Valuation Cost Manual.

The reliability of this appraisal technique when estimating the current market value of the property is further enhanced due to the like-new condition of the existing improvements. This like-new condition allows the appraisers to proceed in a replacement cost analysis without the estimation of depreciation or loss in value caused by normal "wear and tear" and time.

Replacement cost analyses oftentimes include an allocation or estimate of the appropriate entrepreneurial profit which traditionally must be included to reflect for and provide the necessary motivation to allow a developer to acquire land, design a project, obtain appropriate capital, permitting and infrastructure, and then construct improvements upon a site. Without the motivation of entrepreneurial profit, developers logically would not go to the trouble or effort to create such properties.

In the case of this assignment, entrepreneurial profit has been excluded from the Cost Approach due to the special-purpose nature of these improvements. We believe it is logical to conclude that an entrepreneur would not assemble land and then construct special-purpose improvements upon the land, in anticipation of selling the combined property for a profit. The primary motivation oftentimes attached to the creation of special-purpose properties relates to the operation of a business or, in the case of the subject property, the development of a product which can function to assist the ongoing economic enterprise.

On the following pages, comparable sales are displayed and analyzed in order to estimate the current market value of the property, as well as a replacement cost summary analysis which indicates the current market value of this special-purpose property as of the effective date of our analysis.

CITRUS NURSERY – GILCHRIST COUNTY  
COST APPROACH  
COMPARABLE VACANT LAND SALES

**COMPARABLE VACANT LAND SALE NO. 4-2006-3275 [GILCHRIST]**

**LOCATION:** The site is located along the northerly right-of-way of C.R. 232, lying just easterly of S.R. 47.

**BRIEF LEGAL DESCRIPTION:** Lengthy legal description of a parcel of land located in Section 4, Twp. 9S, Rge. 16E, Gilchrist County, FL

**GRANTOR:** Russell Jones and Willie Mae Jones

**GRANTEE:** Gilchrist Estates, LLC

**LAND SIZE:** 100.50± Acres

**PROPERTY TYPE:** Improved pasture.

**O.R. BOOK/PAGE:** 2006-3275

**ZONING/LAND USE:** "A-2", Agriculture/"A-2", Agriculture

**PROPERTY DATA:** The site contains approximately 1,700 feet of frontage along the northerly right-of-way of C.R. 232, and consists predominantly of improved pasture with scattered trees throughout.

**SALES PRICE:** \$1,000,000.

**PRICE/UNIT:** \$9,950/Acre

**TERMS:** Cash to the seller.

**VERIFICATION:** By John D. Osgood, Associate Appraiser, with Mr. Fred Ramirez, Representative of Grantee, on July 16, 2008.

**CONDITIONS OF SALE:** Arm's length transaction.

**DATE (OF TRANSACTION):** April 25, 2006

**PRESENT USE:** Agricultural production.

**HIGHEST AND BEST USE:** Agricultural production.

**COMMENTS:** See discussion of sale in appraisal report.

**COMPARABLE VACANT LAND SALE NO. 4-2006-3275 [GILCHRIST]**



**COMPARABLE VACANT LAND SALE NO. 3-2006-8168 [GILCHRIST]**

**LOCATION:** The site is located along the northerly right-of-way of S.W. 22<sup>nd</sup> Place, lying approximately 1/8 mile easterly of S.R. 49 (U.S. Highway 129).

**BRIEF LEGAL DESCRIPTION:** Lengthy legal description of a parcel of land located in Sections 7 and 18, Twp. 9S, Rge. 15E, Gilchrist County, FL

**GRANTOR:** Barbara Coulthurst, Individually and as Trustee

**GRANTEE:** Lazy D, LLC

**LAND SIZE:** 96.43± Acres

**PROPERTY TYPE:** Improved pasture.

**O.R. BOOK/PAGE:** 2006-8168

**ZONING/LAND USE:** "A-2", Agriculture/"A-2", Agriculture

**PROPERTY DATA:** The site contains approximately 660 feet of frontage along the northerly right-of-way of S.W. 22<sup>nd</sup> Place and consists predominantly of improved pasture with scattered trees throughout.

**SALES PRICE:** \$636,200.

**PRICE/UNIT:** \$6,598/Acre

**TERMS:** Cash to the seller.

**VERIFICATION:** By John D. Osgood, Associate Appraiser, with Mr. Donald Bennink (Grantee) on July 15, 2008.

**CONDITIONS OF SALE:** Arm's length transaction.

**DATE (OF TRANSACTION):** December 15, 2006

**PRESENT USE:** Agricultural production.

**HIGHEST AND BEST USE:** Agricultural production.

**COMMENTS:** See discussion of sale in appraisal report.

**COMPARABLE VACANT LAND SALE NO. 3-2006-8168 [GILCHRIST]**



**COMPARABLE VACANT LAND SALE NO. 1-2007-2716**  
**[GILCHRIST]**

**LOCATION:** The site is located along the westerly right-of-way of S.E. 70<sup>th</sup> Avenue, lying just southerly of C.R. 337.

**BRIEF LEGAL DESCRIPTION:** A lengthy legal description of a parcel of land located in Section 34, Twp. 9S, Rge. 16E, Gilchrist County, FL

**GRANTOR:** Carroll M. Mixon

**GRANTEE:** Norfleet Properties, LLLP

**LAND SIZE:** 63.93± Acres

**PROPERTY TYPE:** Improved pasture.

**O.R. BOOK/PAGE:** 2007/415

**ZONING/LAND USE:** "A-2", Agriculture/"A-2", Agriculture

**PROPERTY DATA:** The site contains approximately 1,980± feet of frontage along the westerly right-of-way of S.E. 70<sup>th</sup> Avenue and consists of improved pasture with a few scattered trees located throughout the site.

**SALES PRICE:** \$500,000.

**PRICE/UNIT:** \$7,821/Gross Acre

**TERMS:** Cash to the seller.

**VERIFICATION:** By John D. Osgood, Associate Appraiser, with Mr. E. D. Norfleet, III on July 15, 2008.

**CONDITIONS OF SALE:** Arm's length transaction.

**DATE (OF TRANSACTION):** January 22, 2007

**PRESENT USE:** Agricultural production.

**HIGHEST AND BEST USE:** Agricultural production.

**COMMENTS:** See discussion of sale in appraisal report.

**COMPARABLE VACANT LAND SALE NO. 1-2007-2716 [GILCHRIST]**



**COMPARABLE VACANT LAND SALE NO. 2-2007-7227**  
**[GILCHRIST]**

**LOCATION:** The site is located along the easterly right-of-way of S.E. 70<sup>th</sup> Avenue, lying approximately 1/4± mile southerly of C.R. 337.

**BRIEF LEGAL DESCRIPTION:** A lengthy legal description of a parcel of land located in Section 35, Twp. 9S, Rge. 16E, Gilchrist County, FL

**GRANTOR:** Carroll M. Mixon

**GRANTEE:** Norfleet Properties, LLLP

**LAND SIZE:** 57.9± Acres

**PROPERTY TYPE:** Improved pasture.

**O.R. BOOK/PAGE:** 2007/7227

**ZONING/LAND USE:** "A-2", Agriculture/"A-2", Agriculture

**PROPERTY DATA:** The site contains approximately 1/4± mile of frontage along the easterly right-of-way of S.E. 70<sup>th</sup> Avenue, and consists of improved pasture.

**SALES PRICE:** \$500,000.

**PRICE/UNIT:** \$8,636/Acre

**TERMS:** Cash to the seller.

**VERIFICATION:** By John D. Osgood, Associate Appraiser, with Mr. E. D. Norfleet, III on July 15, 2008.

**CONDITIONS OF SALE:** Arm's length transaction.

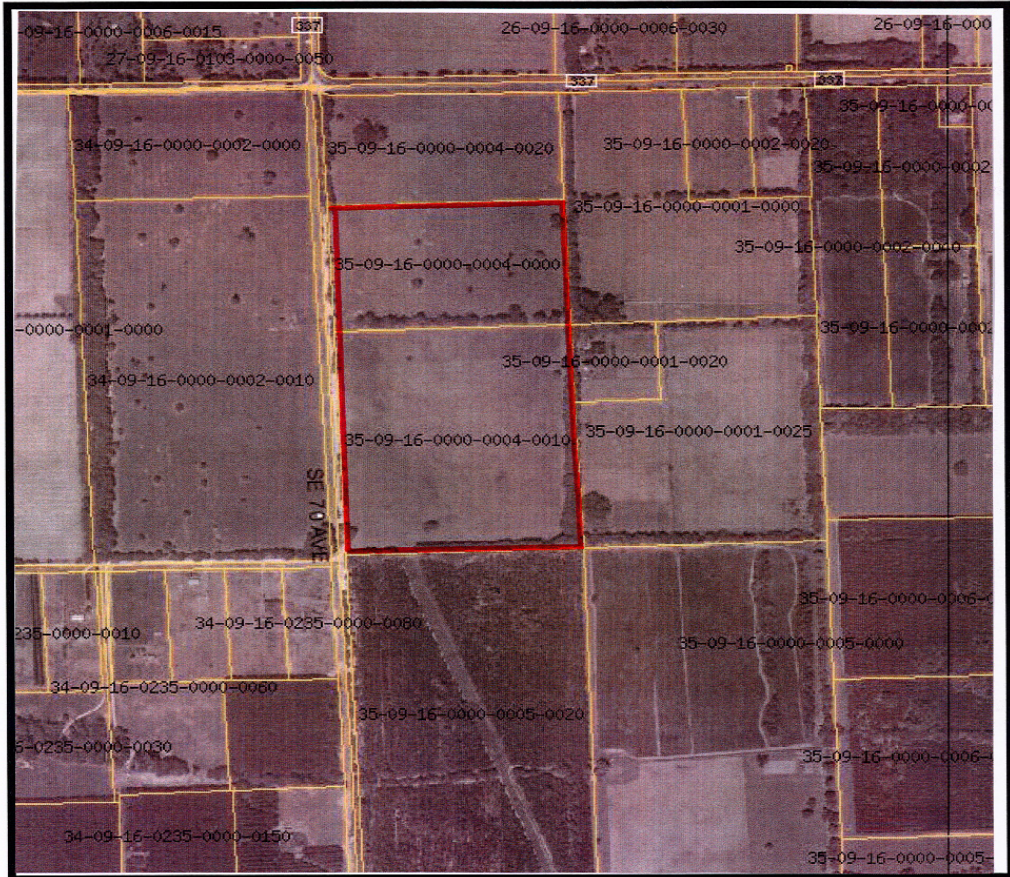
**DATE (OF TRANSACTION):** December 4, 2007

**PRESENT USE:** Agricultural production.

**HIGHEST AND BEST USE:** Agricultural production.

**COMMENTS:** See discussion of sale in appraisal report.

**COMPARABLE VACANT LAND SALE NO. 2-2007-7227 [GILCHRIST]**



**COMPARABLE VACANT LAND SALE NO. 5-2006-7041 [GILCHRIST]**

**LOCATION:** The site is located northerly of S.E. 40<sup>th</sup> Way, lying approximately 1± mile easterly of S.R. 47.

**BRIEF LEGAL DESCRIPTION:** Lengthy legal description of a parcel of land located in Section 17, Twp. 9S, Rge. 16E, Gilchrist County, FL.

**GRANTOR:** James B. Tuten

**GRANTEE:** Clear Lake Shores Holdings, Inc.

**LAND SIZE:** 120± Acres

**PROPERTY TYPE:** Improved pasture, forested wetlands, timber.

**O.R. BOOK/PAGE:** 2006-7041

**ZONING/LAND USE:** "A-5", Agricultural (with wetland areas)/"A-5", Agricultural (with wetland areas)

**PROPERTY DATA:** The parcel is improved with a single-family residence built in 1950, containing 2 bedrooms/2 baths and 1,600± SF of heated area. In addition, the site has substantial frontage along Water's Lake, and is accessed via easement.

**SALES PRICE:** \$1,650,000.

**PRICE/UNIT:** \$13,750/Acre

**TERMS:** Cash to the seller.

**VERIFICATION:** By John D. Osgood, Associate Appraiser, with public records of Gilchrist County.

**CONDITIONS OF SALE:** Arm's length transaction.

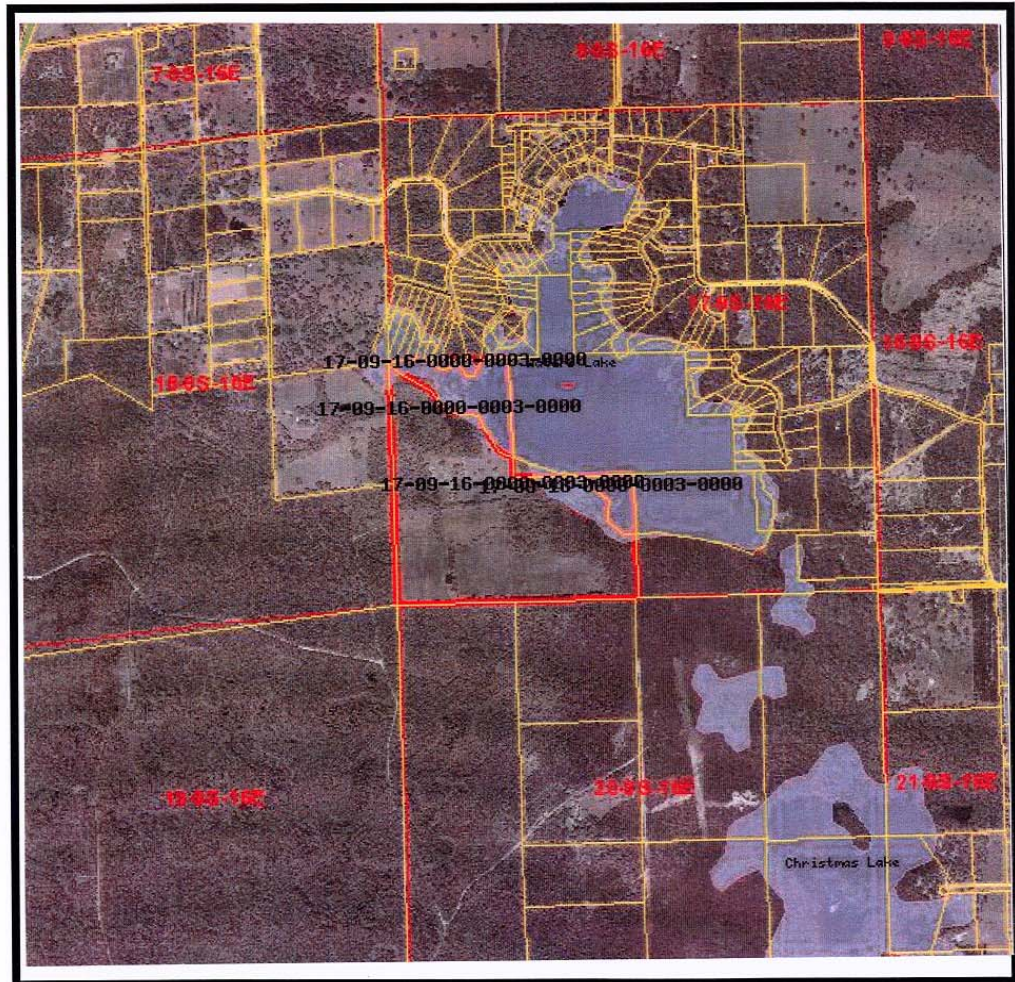
**DATE (OF TRANSACTION):** October 20, 2006

**PRESENT USE:** Homesite, recreational, pasture land.

**HIGHEST AND BEST USE:** Agricultural production and long-term residential development.

**COMMENTS:** Numerous attempts to reach parties to the sale were unsuccessful.

**COMPARABLE VACANT LAND SALE NO. 5-2006-7041 [GILCHRIST]**



## SUMMARY OF COMPARABLE LAND SALES

<u>SALE NO.</u>	<u>DATE</u>	<u>SALE PRICE</u>	<u>SIZE</u>	<u>PRICE/AC</u>
4-2006-3275	4/06	\$1,000,000.	100.5± Ac.	\$9,950/Ac
3-2006-8168	12/06	\$636,200.	96.43± Ac.	\$6,598/Ac
1-2007-2716	1/07	\$500,000.	63.93± Ac.	\$7,821/Ac
2-2007-7227	12/07	\$500,000.	57.9± Ac.	\$8,636/Ac
5-2006-7041	10/06	\$1,650,000.	120± Ac.	\$13,750/Ac

### DISCUSSION OF COMPARABLE SALES

A variety of comparable sales have been researched, inspected and verified to allow us to analyze and then estimate an appropriate value for the subject site containing some 80± gross acres. These comparable sales will now be discussed individually and directly compared to the subject property to indicate an appropriate price per acre for the subject as of the effective date of our analysis.

**Comparable Sale 4-2006-3275 (GILCHRIST):** This comparable sale involves a 100±-acre tract of land which has been historically used for agricultural purposes. Located along the northern right-of-way of CR 232, this site has access and exposure superior to that of the subject. The general character of the neighborhood in which the sale is located appeared to be predominantly agricultural with an intermix of rural residential development. Our verification of this sale with the grantee indicated that the sale was purchased at the peak of the market at a price which, according to the grantee, could not be attained as of a current date. The conditions of the market as of the date of sale and resulting price is believed to more than offset the superior locational feature of this property and, therefore, suggests that at some \$9,950/gross acre, this sale represents only an indication of the upper range of value for the subject as of the effective date of analysis.

## **DISCUSSION OF COMPARABLE SALES, CONT'D.**

### **Comparable Sale No. 3-2006-8198 (GILCHRIST):**

This comparable sale involves a property containing approximately 96± acres which have historically been used agriculturally for the growing of hay. Zoned "A-2", Agricultural, which is comparable to the subject, this sale also lacks hard road access as it is positioned along the northern right-of-way of S.W. 22<sup>nd</sup> Place. Important to note is that our verification indicated that this property sold in a sealed bid auction from an estate. The original asking price was substantially greater than the price obtained at the auction, and we have also verified that no broker was involved or sales commission paid. This sale, however, was verified to be an arm's length sale at a price considered to be market value, with cash paid to the seller. The property was purchased by an adjoining land owner to provide further support for an ongoing dairy operation. This site was judged to be slightly inferior to the subject property with respect to its physical condition as it was, for the most part, improved pasture with only scattered trees. The subject property notably has an extensive oak hammock and is quite attractive, also featuring some lake frontage. Therefore, in the final analysis, this sale with slightly inferior physical characteristics and conditions of sale involving a sealed bid auction, was judged to be a low-range indication of value at some \$6,598/gross acre.

**Comparable Sale No. 1-2007-2716 (GILCHRIST):** This sale represents an approximate 64±-acre tract of land which has historically been used for agricultural purposes. Our inspection of this comparable sale revealed an existing hay crop, as well as its location being somewhat surrounded by a rural residential community. This property has hard road frontage directly along S.E. 70<sup>th</sup> Avenue, a feature considered superior to that of the subject. Physically, the tract was considered to be somewhat less attractive as it did not enjoy the native oak hammocks and scenic area comparable to the subject. This property also had no potential exposure or proximity to an existing waterway or lake. In the final analysis, this sale, which had superior locational hard road frontage, but inferior physical characteristics, was considered to be an appropriate indicator of value for the subject at approximately \$7,800/gross acre.

## **DISCUSSION OF COMPARABLE SALES, CONT'D.**

**Comparable Sale No. 2-2007-7227 (GILCHRIST):** This sale lies directly to the east of Comparable Sale 1-2007-2716 (Gilchrist), along the eastern right-of-way of S.E. 70<sup>th</sup> Avenue. This property involved the same grantor and grantee as reported for Sale No. 1-2007-2716 (GILCHRIST) and, according to our verification, was contracted at the same point in time, even though the closing occurred at a later point in time. This property had few trees, was predominantly improved pasture, and did not enjoy the lake frontage associated with the subject property. The site is, however, located on S.E. 70<sup>th</sup> Avenue which is considered to provide superior access to that enjoyed by the subject property. These factors are believed to be somewhat offsetting, therefore, suggesting that at some \$8,600/gross acre, this sale should be considered an appropriate indication of value for the subject.

**Comparable Sale No. 5-2006-7041 (GILCHRIST):** This sale was included primarily due to its close proximity to the subject property, as it lies adjacent to the subject's eastern boundary. Our inspection of this property revealed that the tract lies tangent to a rural residential development which features substantial residences on larger acreage lots, many of which have proximity to the adjoining Water's Lake. In the final analysis, this sale was given little emphasis as repeated attempts to verify details of the transaction with knowledgeable parties have not resulted in a verification of the sale as of the date of the writing of this appraisal report. Reviewing the locational characteristics of this sale, however, revealed that the property does have extensive frontage vs. the subject's limited frontage along Water's Lake. This factor is considered to be significantly superior to that of the subject, as this lake fronting exposure would offer opportunities not enjoyed by the subject.

Therefore, in the final analysis, this sale was not given primary emphasis, as it could not be verified. Logically, if this sale is proven to be arm's length, it would be indicative only of the extreme upper range of value, indicating some \$13,750/gross acre due to its significantly superior frontage along Water's Lake.

## **FINAL VALUE RECONCILIATION**

When developing a final estimate of the market value of the subject site, a variety of comparable sales have been considered. The range of prices indicated from comparable sales relied upon is from approximately \$6,500/gross acre to \$8,500/gross acre. We believe it is also significant to note that the subject property sold in an arm's length transaction in 2006 at a verified price of \$8,201/gross acre. Our review of market conditions within the Gilchrist County area would strongly suggest that there has not been positive appreciation since this date of sale. This subject sale, therefore, is also considered to be further indication of the current value of the property.

The value estimate for the subject property, in our opinion, is best represented by the upper range of value, recognizing that the subject tract has attractive physical features, is well located, and does have limited tangency to Water's Lake. Therefore, our final value estimate for the site is based upon a price of \$8,000/gross acre.

$$79.16\pm \text{ Acres @ } \$8,000/\text{Gross Acre} = \$633,280.$$

## **FINAL VALUE ESTIMATE**

With primary emphasis placed upon a replacement cost analysis, which includes an independent valuation of the subject land, we have estimated a current market value of this special-purpose property to be \$2,500,000 as of the effective date of this analysis.

### **FINAL MARKET VALUE ESTIMATE** **GILCHRIST COUNTY CITRUS NURSERY**

**\$2,500,000**

as of August 15, 2008.

**REPLACEMENT COST APPROACH**

**GILCHRIST CITRUS NURSERY**

IMPROVEMENT DESCRIPTION									
HEAD PRODUCTION HOUSE	290.5	X	240	=	69,720	SQ FT @	\$ 20.63	PER SQ FT =	\$ 1,438,287
BUD WOOD HOUSE	44	X	132	=	5,808	SQ FT @	\$ 24.46	PER SQ FT =	\$ 142,040
PRESTIGE MANUFACTURED HOME	68.5	X	27	=	1,850	SQ FT @	\$ 48.10	PER SQ FT =	\$ 88,961
OFFICE MOBILE HOME (Depreciated)	12	X	56	=	672	SQ FT @	\$ 12.82	PER SQ FT =	\$ 8,614
MISC SHEDS AND STORAGE									\$ 10,000
<b>SITE IMPROVEMENTS</b>									
ROADS, FILL, CLEARING,MISC.								\$ 80,000	
TWO DEEP WELLS								\$ 15,000	
THREE PHASE POWER/GENERATOR								\$ 65,000	
CANKER STATIONS								\$ 5,000	
FENCING, LIGHTING, LANDSCAPING								\$ 15,000	
<b>TOTAL ADDITIONAL SITE IMPROVEMENTS</b>									\$ 180,000
<b>TOTAL COST ALL IMPROVEMENTS</b>									\$ 1,867,902
ADD ESTIMATED LAND VALUE	79.16	AC	@		\$ 8,000	PER AC =			\$ 633,280
<b>TOTAL VALUE INDICATED VIA COST APPROACH</b>									\$ 2,501,182

**TRANSITIONAL LANDS**

**IDENTIFICATION OF SUBJECT PROPERTY AND  
PROBLEM TO BE SOLVED – TRANSITIONAL LANDS**

Within this section of the appraisal, we have addressed the value estimates of certain lands which are classified as "transitional." Transitional lands, as used in this report, are identified as lands which have potential for a use which is more intensive than agricultural development at some future point in time. Transitional lands include properties which have future potential relating to possible residential, industrial, commercial or rock mining uses. Other lands which are considered to be transitional appear to have low utility caused by their physical characteristics such as elevation, prior uses related to borrow operations, and other similar factors. There are approximately 50 parcels which have been identified as transitional, and which will be valued based upon a highest and best use not considered to be agricultural.

Residential lands identified as transitional are predominantly made up of parcels either lying within the Clewiston community, or in close proximity to Clewiston. The current status of the real estate market, as of the effective date of this appraisal, suggests that very limited demand exists for vacant lands suitable for immediate residential development. This has, therefore, lead the appraisers to the conclusion that even though many of these lands may have future developmental potential more intensive than agricultural, one could reasonably anticipate an interim use for continued agriculture.

Many of the lands considered to be transitional are designated on the Hendry County Comprehensive Land Use Plan or on the City of Clewiston Comprehensive Land Use Plan for uses other than agricultural. Such designations would legally support future developments of these properties and the transitioning of the lands from agricultural to more intensive uses.

Certain lands considered to be transitional in nature also include parcels which have future potential for commercial or industrial type development. The locational characteristics, zoning, or Comprehensive Land Use Plan designation, or other factors, have assisted us in identifying such parcels. We have also identified as transitional two areas which have recently been recognized by Palm Beach County as having future potential for the excavation of limerock. The evaluations of these areas have been individually considered when developing an overall or general value estimate for lands considered to be transitional in nature.

**IDENTIFICATION OF SUBJECT PROPERTY AND  
PROBLEM TO BE SOLVED - TRANSITIONAL LANDS.  
CONT'D.**

A list of those parcels identified by the South Florida Water Management District as components of the United States Sugar Corporation holdings, and which the appraiser has considered to be transitional in nature, are shown on the summary sheet which is found within subsequent sections of this appraisal report. These transitional parcels have been divided into several categories recognizing differing highest and best use potentials and directing our comparable sales research and final analysis and value estimate for these parcels. These categories include: transitional lands which may have future potential for residential development; lands which may transition into commercial or industrial use; lands which have limited or low utility due to physical configuration or environmental characteristics; and lands which have been identified as suitable for future limestone rock excavation and where permits to allow such industrial use have been sought.

The problem to be solved involves the estimation of the current market value of various parcels which, due to their locational characteristics, zoning or Comprehensive Land Use Plan designation, physical characteristics, or other factors, may reasonably be expected to transition from agricultural uses to some alternative use. We began our evaluation of the transitional lands by first identifying those USSC parcels which appeared, for a variety of reasons, to have an opportunity to be used in some manner other than agricultural production. We have also conducted several inspections of these sites so that we might better identify any trends within the immediate area or other factors which might influence their future utility. For the purpose of this appraisal, we have relied upon the information provided by the South Florida Water Management District, including maps, drawings, and parcel identification numbers, to specifically delineate individual parcels considered to be transitional.

The primary appraisal technique employed for the purpose of valuing these lands is the Sales Comparison Approach to value. When applying this approach, we have researched the sales of other properties located in the subject market area which have similar potential to be used in a manner which is comparable to the categories of transitional lands identified. By way of example, we have emphasized properties having residential potential and reviewed these sales on a price per acre basis after verifying and inspecting the sales.

**TRANSITIONAL LANDS - IDENTIFICATION OF  
SUBJECT PROPERTY AND PROBLEM TO BE SOLVED.  
CONT'D.**

Further analysis of these sales results in an indication of the appropriate price per acre which may be applied to estimate the value of USSC lands which may at some future time be used in a residential capacity. We have given special consideration to the current status of the local real estate market which has significantly receded since the boom of 2005-2006.

Demand for lands within the subject market areas has contracted to a level where many lands considered to be suitable for development during the boom are now, once again, utilized for agricultural purposes. These lands, considered to be transitional in nature, nevertheless are considered to have future developmental potential and utility which suggests that the current market value of these lands exceeds the value suggested by the sale of properties which have highest and best uses limited strictly to agricultural production.

## TRANSITIONAL LANDS - HISTORY OF SUBJECT PROPERTIES

The 50+ subject properties which have been classified as transitional involve, for the most part, lands which are vacant and unimproved. The South Florida Water Management District has completed research and summarized upon various documents and spreadsheets a history of sales for each of the subjects of this appraisal. Any intended user of this appraisal report is directed to those summary sheets which, by reference, are made part of this appraisal report when reviewing historical transactions or sales of the individual subject parcels. Our research revealed that only one of the subject parcels classified as transitional has recently been contracted for sale or marketed. This involves a property lying to the west of the Clewiston community, in close proximity to an area which has been recently developing. The Bonita Bay Group has been verified to have contracted to purchase approximately 502± acres. This land is considered to be suitable for residential and commercial development. We have requested, but not received, copies of the contracts specifying the terms, conditions and price of this contract. Approximately 20± acres of the original 502± acres of land had been previously sold for \$25,000/acre.

The South Florida Water Management District has provided detailed informational sheets which, by reference, are made part of this appraisal report. Information contained within these sheets describes prior sales activity and other information identifying the history of these subject transitional lands.

DISCUSSION OF SUBJECT MARKET AREA, COMPREHENSIVE LAND USE PLAN AND DEVELOPMENTAL TRENDS

Within the Comprehensive Plan, public/semi-public lands make up the largest single land use category, containing approximately 20% of the total city area. In addition, the Agriculture land use designation comprises approximately 17% of lands lying within the city. A significant portion of the City of Clewiston is designated "Gateway Mixed Use." These areas are also designated "Urban" on the Future Land Use Map. The purpose of this category is to allow for the movement and mix of currently-designated densities and intensities of use.

Lands lying outside the City of Clewiston within Hendry County are, in some cases, also considered to be transitional in nature. To assist us with the evaluation of such lands, we have reviewed the Hendry County Future Land Use Map. This map depicts areas proximate and tangent to the city limits of Clewiston as being available for Industrial, Residential Medium Density, and Transitional future land uses. According to the Hendry County Comprehensive Land Use Plan, those lands lying northerly of US 27 and westerly of the Seaboard Coastline Railroad are currently designated as "Transitional" on the Future Land Use Map of Hendry County. "Transitional" represents mixed areas with some non-conforming uses which are agriculture. Additionally, we note that there currently exists scattered residential and commercial use areas that may be considered in-fill and, at some future time, may be improved with residential uses. The maximum gross residential density in this area allows two units per acre.

Additional information has been collected during numerous inspections of the subject market area. These inspections have been instructive in assisting us in better understanding lands which may have a future potential to transition from agricultural to more intensive uses.

Our inspection of this area revealed a low-density residential development within the transitional area just to the west of the City of Clewiston which has been developed as the Sky Valley Residential Community. This site is located approximately ½ mile westerly of CR 720, along the northerly right-of-way of US 27. Sky Valley is an 82-lot subdivision containing 1/3-acre lots. These individual lots sold for approximately \$50,000-\$60,000 per lot. The site is located on sandy soil and was historically planted in sugarcane until its conversion to a single-family residential subdivision. A number of subject parcels considered to be transitional lie in close proximity to this area.

DISCUSSION OF SUBJECT MARKET AREA, COMPREHENSIVE  
LAND USE PLAN AND DEVELOPMENTAL TRENDS, CONT'D.

Another observed example of a transitional land use found within the City of Clewiston is the recent development of the City of Clewiston Commerce Park. The United States Sugar Corporation sold a 33±-acre tract to the City of Clewiston for the subsequent development of a light industrial subdivision, known as the City of Clewiston Commerce Park. The site is located at the southwest corner of South Olympia Street and West Aztec Avenue. The land was subsequently developed, and our research indicated that there has been one sale of one platted lot as of the effective date of this appraisal. Several of our subject parcels identified as transitional lie within this general area.

An additional indication of the general trend of development within this area is reflected by the recent sale of a vacant site within the City of Clewiston. This sale, which occurred in May 2008, involved the Clewiston Hotel Group who purchased approximately 1.7± acres of land in the western portions of the city. This group is currently in the design and planning stages for developing a parcel located along the western side of Flagler Street, just southerly of U.S. 27.

In the course of this assignment, we have also learned of a current contract which remains in effect between the United States Sugar Corporation and the Bonita Bay Group. During the boom, the Bonita Bay Group was planning to complete the acquisition of this site, consisting of approximately 502± acres where 1,500 residential units and 1,000,000 SF of commercial space had been planned for development. This land lies along both sides of US 27 along the western city limits of Clewiston. Approximately 482± acres of the original 502±-acre tract remains under contract to the Bonita Bay Group and is the subject of this appraisal.

Verifications with Bonita Bay Group officials indicate that efforts are continuing to prepare this property for future development and that officials from Bonita Bay are currently working with the U.S. Army Corps of Engineers in an attempt to relocate a drainage structure to allow the parcel to gain access to the rim canal and, ultimately, Lake Okeechobee. A significant indicator of the generally stagnant nature of the real estate market within the Clewiston transitional area is revealed through our verification of the existing contract for portions of this property. Even though the Bonita Bay Group has closed on approximately 20± acres of the original contracted land, they currently report that there is "no timetable for closing" on the balance of the land, as current demand would not warrant immediate construction or development, and they are "waiting on the economy to improve."

DISCUSSION OF SUBJECT MARKET AREA, COMPREHENSIVE LAND USE PLAN AND DEVELOPMENTAL TRENDS, CONT'D.

In addition, the western edges of the City of Clewiston are currently designated as "Industrial" and "Residential Medium Density" on the Hendry County Future Land Use Plan. These areas are currently utilized in an agricultural capacity and would logically be expected to take longer to transition from agricultural to a more intensive use due to current market conditions and slowing economy.

The eastern fringe areas of the City of Clewiston are designated for Residential Medium Density, as well as Commercial. Once again, as market conditions dictate, the transition from agricultural to more intensive uses could occur. Several of the subject parcels lie within areas where transitional uses and development could be expected at some future time.

Additional areas which the appraisers have identified as transitional include areas lying to the eastern side of the City of Clewiston along SR 80 and north of US 27/SR 80 proximate to Lake Okeechobee. These lands also appear to have future potential relating to residential development, even though they are currently used agriculturally.

South of SR 80/US 27, near the existing USSC sugar processing mill, are lands designated on the Comprehensive Land Use Plan for agricultural use. Our inspection revealed that a number of these areas have been improved in an industrial capacity to support the existing sugarcane mill. Land specifically associated with the mill has been excluded from our appraisal and was deleted from the original parcel number lists provided by the South Florida Water Management District. Lands lying in close proximity to the mill, however, appear to be most logically classified as transitional, where existing zoning or other factors suggest some possible alternative use.

Our review of the Palm Beach County Comprehensive Land Use Plan indicates that a number of lands lying in close proximity to US 27/SR 80 are designated for residential type development. Located in close proximity to the community of South Bay, USSC-owned lands effectively separate two developed residential areas. These lands, which lie to the east of US 27, are also considered to be transitional in nature as they appear to have some future potential relating to residential development.

**DISCUSSION OF SUBJECT MARKET AREA, COMPREHENSIVE LAND USE PLAN AND DEVELOPMENTAL TRENDS, CONT'D.**

Our analysis suggests there is an additional transitional area which should be separately considered as a component of this appraisal. This area includes land lying in the northeastern portion of the USSC land holdings, near the community of Pahokee within Palm Beach County. In some cases, these areas are considered to be transitional due to their close proximity to Lake Okeechobee and other existing residential development.

**LIMESTONE ROCK MINING LANDS**

Another category of lands identified as transitional include two well defined tracts which are considered to have utility not directly related to continue agricultural production. These areas include lands which have been identified as suitable for future limestone rock excavation and which are currently in the process of being permitted to allow for such excavation activities.

The first of these areas is identified as the Stewart mining parcel. This area is located in the northeasterly portion of the USSC holdings, and lies approximately 10 miles easterly of the community of Pahokee. The total size of this site is some 5,419.93± acres.

This parcel, while not fully permitted to allow excavation of limestone, has obtained entitlements and is currently in the process of being permitted. On May 4, 2006, the Palm Beach County Zoning Commission recommended 7-0 to adopt a resolution approving a Class A conditional use to allow a Type 3B excavation. This site is located along the northeasterly right-of-way of US 98, lying approximately 2 miles northerly of SR 80. In addition, discussions with Florida Department of Environmental Protection officials in Tallahassee indicate that an Environmental Resource Permit has been issued on this site. However, additional permits in the form of Industrial Wastewater and South Florida Water Management District Consumptive Use Permits will also be required to make this site operational as a rock pit.

Recorded in the public records of Palm Beach County on July 2, 2008 is a Memorandum of Lease between the United States Sugar Corporation (lessor) and Stewart Mining Industries (lessee.) This agreement was made on \_\_\_\_\_ for a term of \_\_\_\_\_ years.

DISCUSSION OF SUBJECT MARKET AREA, COMPREHENSIVE LAND USE PLAN AND DEVELOPMENTAL TRENDS, CONT'D.

**LIMESTONE ROCK MINING LANDS, CONT'D.**

The Stewart Mining Industries' proposal is expected to yield in excess of \_\_\_\_\_ tons of aggregate products annually to be used in the production of concrete, asphalt, and base material for the construction of buildings and roads in central Florida. The aggregate available in this area is considered among the highest quality in Florida.

The extraordinary assumption made part of this appraisal report and upon which our value estimate has been developed understands that this land has a reasonable probability of receiving all necessary permits to allow its future use for the excavation of limestone. In our opinion, this causes the land to have a value separate and distinct from other lands, even though it has historically been used for agricultural purposes.

A second area owned by USSC has been identified as suitable for rock excavation. This area lies to the south of SR 80 and southeasterly of Clewiston. Identified as Lake Harbor Quarry, this land has been leased to Florida Rock Industries and is currently in the initial stages of permitting. The total size of the parcel currently being permitted is approximately 7,600± acres.

In April 2008, Palm Beach County commissioners approved the Lake Harbor quarry, 7,600± acres located 4± miles southerly of Lake Okeechobee and 3± miles westerly of US 27. In April 2008, the Palm Beach County Zoning Commission endorsed the plans for the Lake Harbor Quarry.

Florida Rock Industries has proposed to excavate approximately 6,961.7± acres of sand and limestone, creating two large reservoirs. The excavation is proposed in two phases and is to proceed at a constant rate of no more than 100 acres per year over the next 71 years. A Class A conditional use to allow a Type 3B excavation on a 7,629.19±-acre parcel of land was granted in April 2008.

The Palm Beach County public records indicate that a "Memorandum of Lease" was recorded on July 18, 2008 in ORB 22765/0527 between the United States Sugar Corporation and SBG Farms, Inc. and Florida Rock Industries, Inc.

This land has also been valued adopting the extraordinary assumption that all necessary government permits could be reasonably acquired in the immediately foreseeable future which will allow this land to be used for limestone excavation.

## SCOPE OF APPRAISAL (TRANSITIONAL LANDS)

In the course of developing this appraisal assignment, we have considered lands to be transitional where alternative uses may be available to allow the land to be used in a manner more intensive than agricultural. These lands have been valued employing the most widely-accepted appraisal technique typically relied upon for the purpose of valuing vacant land, which is the Sales Comparison Approach. The first step in this process involves the identification of lands considered to be transitional.

Lands identified as transitional in nature have been valued independently giving consideration to the utility of individual parcels, their locational characteristics, existing land use designations, their physical characteristics and potential for future development. Oftentimes, these lands would be anticipated to continue to be used in agricultural production as an interim use.

Examples of lands which we have identified as transitional in nature includes several property types as follows:

- ✓ Residential/individual platted lots
- ✓ Residential lands designated for greater density
- ✓ Industrial/commercial lands
- ✓ Lands with probability of permitting to allow rock mining
- ✓ Low utility or marginal utility lands

Parcels identified by the South Florida Water Management on the "River of Grass Project Map Sheets" (updated on August 8, 2008), have been relied upon for the purpose of identifying these lands. Additional summary sheets also provided by the South Florida Water Management District specify the various sizes of the parcels which correspond to the project map sheets and parcel identifications. By reference, all drawings, maps, charts and parcel identification sheets and other information provided are made part of this appraisal.

SCOPE OF APPRAISAL (TRANSITIONAL LANDS)  
CONT'D.

When developing a Sales Comparison Approach to value, a wide variety of comparable sales have been researched, including lands which have future potential for medium density residential development, lands suitable for low-intensity residential development, lands with potential for future industrial utilization, and lands which, although used for agriculture at this time, may have possible future developmental potential occurring at some yet-to-be-determined point in time.

Additional comparable sales have been individually researched and analyzed to value approximately 13,000± acres which have historically been used for agricultural purposes, but now by extraordinary assumption are classified as lands that have a reasonable probability of being permitted to allow for limestone rock excavation.

The final value estimate for those various components of lands identified as transitional has been accomplished by considering the mean price indicated after valuing each of the parcels individually. This value estimate is then applied to lands considered to be residential transitional, commercial-industrial transitional, low utility transitional, and limestone rock transitional.

## **TRANSITIONAL LANDS - DESCRIPTION OF SUBJECT PARCELS**

We have relied upon the comprehensive list and associated parcel identification maps provided by SFWMD for the purpose of identifying each of the parcels, and ultimately for developing our value estimates. These individual parcel numbers have been graphically illustrated on various project map sheets identified as the "River of Grass Project Maps", dated August 8, 2008. The individual parcels identified have been specifically considered based upon the information provided which identifies the size, locational character and physical configuration of the various tracts.

Our appraisal of the various parcels gives consideration to the general utility of each and does not necessarily limit the analysis to the precise parcel identified by the SFWMD "SC" numbers. When necessary and appropriate, components of these parcels have been individually considered if portion of the property would be classified based upon alternative utilizations. That is to say that if a particular "SC" parcel containing 1,000 acres is considered to have components consisting of both transitional and agricultural lands, those individual components have been valued giving consideration to the highest and best use of the divided parts. Our appraisal of the various parcels gives consideration to the general utility of each parcel and does not necessarily limit the analysis to the precise parcel identified by the "SC" numbers. The valuation of all components anticipates that the highest and best use of the various lands would not be realized if they were to be sold as one assembled unit consisting of all transitional lands identified.

Based upon our inspection of the subject parcels and surrounding market areas, our review of basic trends within this area, the consideration of zoning and Comprehensive Land Use Plan designations, and other factors known to be significant, we have developed a comprehensive list of parcels identified as transitional in nature. This list currently consists of numerous parcels which have been divided into transitional lands where future potential development is related to residential, industrial/commercial, and low utility type uses.

Lands identified as transitional and having the opportunity of being used in the future for rock excavation have been identified based upon existing permits or permit applications which, by legal description, specifically delineate a precise number of acres which is being considered for future rock excavation. Transitional lands where future rock mining will likely be permitted include Parcels SC-100-134, SC-100-135, SC-100-095 and SC-100-096.

## **TRANSITIONAL LANDS - DESCRIPTION OF SUBJECT PARCELS HAVING RESIDENTIAL POTENTIAL**

Descriptions of these various parcels and classes of transitional parcels are found below and on following pages.

### **Parcels SC-100-012, SC-100-014, SC-100-015, SC-100-016, SC-100-017, SC-100-018, SC-100-019, SC-100-020, SC-100-021, and SC-100-026:**

These parcels represent residential platted lots within the Clewiston subdivision which are currently unimproved and located to the north of SR 80. These parcels are located within an area which has been predominantly used in a residential manner, and where future residential development could be reasonably expected.

The identified parcel numbers include groupings of platted lots with individual parcel sizes ranging from 0.27± acres to 3.39± acres. In combination, the above-referenced parcels total some 16.95± acres. Anticipations are that future development of this land could result in a density of approximately 2-3 dwelling units per acre. These lands have been valued giving consideration to a price per residential unit, as well as a price per acre in anticipation of the land being developed at some future time with roads and appropriate infrastructure to allow single-family residential development. The current use of this land is passive/agricultural, and our inspection of the property revealed it to consist predominantly of improved pasture with significant overgrowth of exotic plants.

### **Parcels SC-100-004 and SC-100-005:**

These parcels are located north of SR 80, west of the railroad, in an area designated "transitional" on the Hendry County Future Land Use Plan, which allows for low-density residential development. Parcel SC-100-004 contains 135 acres and Parcel SC-100-005 contains 330 acres. These lands are considered to be suitable for some future low intensity residential development. The current use of this property is agricultural.

**TRANSITIONAL LANDS - DESCRIPTION OF SUBJECT PARCELS HAVING RESIDENTIAL POTENTIAL, CONT'D.**

**Parcels SC-100-007, SC-100-008, SC-100-009 & SC-100-011:**

These tracts of land are located to the north of SR 80 and were originally earmarked for purchase by the Bonita Bay Group. Portions of the land within this area have been previously acquired and have been comprehensively planned for future residential development. Our verifications with the Bonita Bay Group suggest that the current contract to purchase these properties may still be active, however, closings on any future portions of the property have been delayed due to current economic conditions.

These lands are identified as being predominantly classified for future residential development, and also incorporate lands which would be suitable for future commercial development. The location of this site suggests that such future transitional uses would be probable. The timing for such development, however, due to the current status of the local real estate market, suggests that an extended marketing or developmental period where an interim use may continue to be agricultural in nature. The total size of these parcels is collectively estimated to be 487.51± acres.

**Parcels SC-100-027 and SC-100-065:**

These parcels are somewhat unique, as their shape and configuration suggest that they have limited utility. Parcel SC-100-027 lies in close proximity to the existing canal, which runs along the northern perimeter of the Clewiston community. The total size of this site is 63.25± acres. This parcel is designated for single-family development on City of Clewiston's Comprehensive Land Use Plan. Our anticipations are that some residential type development or a combination of residential and recreational use could be achieved in the future.

Parcel SC-100-065 is an elongated parcel which runs up to the dike at Lake Okeechobee. The total size of this parcel is 30 acres. The shape and physical characteristics of this site suggest that the parcel would have relatively limited utility, possibly related to low-intensity future residential and/or recreational use.

**TRANSITIONAL LANDS - DESCRIPTION OF SUBJECT PARCELS HAVING RESIDENTIAL POTENTIAL, CONT'D.**

**Parcels SC-100-061, 062 and 063:**

These parcels are located to the east of the Clewiston community, south of SR 80, in an area where some residential development exists. This area also has been used for borrow operations and limestone extraction. Parcel SC-100-63 contains 85 acres. Parcel's SC-100-61, SC-100-62 and SC-100-63 all lie in close proximity. Parcel SC 100-61 contains 12 acres, Parcel SC-100-62 contains 48 acres, and Parcel SC-100-63 contains 85 acres. Our evaluation of these properties gives consideration to the general character of the neighborhood which appears to be in transition to residential development over the long term. Historically, the property has been left in a native state.

**Parcel SC-100-030:**

This parcel is an individual single-family site containing approximately 4,800 SF. Located within an existing residential community south of SR 80 and within the heart of Clewiston, this property has a highest and best use related to future residential development. Due to the current, somewhat depressed condition of the residential market within this area, anticipations are that the interim use for this property will remain agricultural until adequate demand exists for development into an alternative or transitional use.

**Parcel SC-100-042:**

There are two SFWMD SC-100-042 parcels shown on the summary sheets and maps provided. The first is located in Section 20, Twp. 43S, Rge. 34E, and the second is located in Section 21, Twp. 43S, Rge. 34E. These parcels are located to the south and slightly west of the community of Clewiston, adjoining an existing residential community. The Hendry County Future Land Use Plan indicates this parcel is designated for "medium density residential" development. The first component of this parcel contains 421.12± acres and the second contains 100.26± acres. These lands have some future potential related to residential development, with an interim use for continued agricultural production.

**Parcel SC-100-041**

This is an individual single-family site located within the Harlem community. This parcel contains 1.01± acres and has a highest and best use related to future residential development.

**TRANSITIONAL LANDS - DESCRIPTION OF SUBJECT PARCELS HAVING RESIDENTIAL POTENTIAL, CONT'D.**

**Parcel SC-100-035 and SC-100-036:**

These parcels each contain 7.64± acres and are physically improved based upon information from the Property Appraiser's office, as well as our inspection of the property. Zoned "CL-R2", permitting two-family or duplex development, existing improvements are not considered to represent the highest and best use of the property. It is important to note that our value estimate considers only the underlying land, and gives no consideration to, and places no value upon, any existing improvements or structures. These properties lie south of SR 80 in close proximity to the existing Clewiston mill. The highest and best use is anticipated to be some future residential type development.

**Parcel SC-100-055:**

Parcel SC-100-055 is a single lot located within the Harlem residential community. Zoned "RG-3M", the site may be suitable for higher density or mobile home residential-type development. The total size of this site is 0.78 acre.

**Parcels SC-100-100 and SC-100-102, 103 and 104:**

Parcel SC-100-100 contains 218 acres, Parcel SC-100-102 contains 784 acres, Parcel SC-100-103 contains 424 acres, and Parcel SC-100-104 contains 848 acres. Our inspections of these properties revealed them to be currently used for sugarcane production. These lands, however, lie between two areas of residential development and it would appear that this area has some future potential for residential development even though an interim use for agricultural sugarcane growing may continue, as of the effective date of this appraisal. These lands are designated residential on the Palm Beach County Comprehensive Land Use Plan.

**Parcel SC-100-087:**

This parcel, which contains 265 acres, is located in proximity to Lake Okeechobee and within an area which has some existing residential development. The area, however, is predominantly agricultural in nature as of the effective date of our analysis, and would be expected to gradually transition to some future residential use. This property is currently designated low density residential on the Palm Beach County Comprehensive Land Use Plan even though currently used for sugarcane production.

**TRANSITIONAL LANDS - DESCRIPTION OF SUBJECT PARCELS HAVING RESIDENTIAL POTENTIAL, CONT'D.**

**Parcels SC-100-124, SC-100-125 and SC-100-130:**

These parcels are located in an area considered to be transitional, however, anticipations are that no growth or development within this immediate area will occur in the near term. Parcel SC-100-124 has hard road frontage and contains approximately 109 acres. This parcel is currently used for agricultural production, specifically for the growing of sugarcane.

**Parcel SC-100-125**

Parcel SC-100-125 contains 533 acres and is being used for agricultural production. This parcel has limited road frontage and also lies in relatively close proximity to Lake Okeechobee. This parcel is considered to have only long term future potential relating to residential development.

**Parcel SC-100-130**

Parcel SC-100-130 contains a total of 538.62 acres and lies to the north of the L-10 Canal. This land is currently used for sugarcane production. The site lies just to the north and east of the community of Pahokee in an area which shows no immediate sign for transition to more intensive use. The potential for future development on this site appears to be long-term in nature, but its locational characteristics do suggest that it may have utility or future potential greater than agricultural.

**Parcels SC-100-039, SC-100-028, SC-100-029, SC-100-169 and SC-100-170:**

These parcels are located south of SR 80 in the heart of Clewiston and in close proximity to a commercial and industrial area. These lands lie proximate to the City of Clewiston's commercial park. The character of the neighborhood suggests that future commercial or industrial development would be possible when demand for such uses develops.

**TRANSITIONAL LANDS - DESCRIPTION OF SUBJECT  
PARCELS HAVING COMMERCIAL/INDUSTRIAL  
POTENTIAL**

**Parcel SC-100-039:**

This parcel represents a relatively small, vacant tract of land which is designated for commercial use. The tract contains 0.26± acres and would be anticipated to have only marginal use related to some form of low intensity commercial development. Historically, this land has been left in an unimproved state and remains vacant.

**Parcel SC-100-028:**

This parcel is the old Clewiston airport, which lies adjacent to industrial and residential development and contains 112.34± acres. This airport is closed, however, a paved runway remains upon the property. The land is level and would be suitable physically to support most forms of development. This land is currently zoned "Public", but is anticipated to be best used if developed in the future for some industrial or commercial activity, due to its close proximity to industrially-designated lands.

**Parcel SC-100-029:**

This parcel is an 11.37±-acre tract of land located east of the airport property, also within an area considered to be most suitable for future industrial development.

**Parcel SC-100-169:**

This parcel is an 18-acre tract of land located on an existing railroad along its eastern side. This tract is zoned for industrial use and would support commercial or industrial development.

**Parcel SC-100-170:**

This parcel is a 14±-acre tract of land zoned for industrial use and is adjacent to the existing railroad track. This tract may have long-term potential for some more intensive use, however, in the interim may continue to be used in a passive or agricultural fashion.

**TRANSITIONAL LANDS - DESCRIPTION OF SUBJECT PARCELS HAVING COMMERCIAL/INDUSTRIAL POTENTIAL. CONT'D.**

**Parcels SC-100-031, SC-100-032, SC-100-033 and SC-100-034:**

These parcels are all characterized as lands which have industrial or commercial potential. Zoned by the City of Clewiston as either commercial or industrial, each parcel lies in close proximity to West Aztec Avenue. Somewhat irregular in shape, these sites are divided by existing roadways and could either be combined or used independently for some commercial or industrial activity. Parcel SC-100-031 contains 7.95± acres; Parcel SC-100-032 contains 2.84± acres; Parcel SC-100-033 contains 2.63 acres; and Parcel SC-100-034 contains 2.52± acres. Public records indicate that Parcel SC-100-034 is currently improved with office professional buildings. Any improvements such as the office professional buildings which occupy this site have not been included in this value estimate.

**Parcels SC-100-037:**

This is a nearly rectangular-shaped parcel of land located southerly of Arroyo Avenue, within an area developed with a variety of commercial, industrial, or other similar improvements. The land is suitable for some future use relating primarily to industrial or commercial use, and contains a total of 16.69± acres.

**Parcel SC-100-010:**

This property is zoned "AG-2", Agricultural, but is located within a commercial/industrial area just to the east of the residential community of Harlem. Containing a total of 22.37± acres, the property has historically been used for agricultural production and would be anticipated to be used at some future time for industrial type development common to that found within the immediate area.

**Parcel SC-100-043:**

This is a rectangular parcel of land located along the southern right-of-way of SR 80/US 27. This land lies just to the west of the community of Clewiston and would have future potential for commercial, industrial or other more uses considered to be more intensive than typical agricultural use. This land is designated "Industrial" on the Clewiston Future Land Use Map. The total size of this site is 281.50± acres and it has been historically used for agricultural purposes.

**TRANSITIONAL LANDS - DESCRIPTION OF SUBJECT PARCELS HAVING LIMITED UTILITY**

**Parcels SC-100-64, SC-100-067, SC-100-006, SC-100-066 and SC-100-168:**

Each of these parcels is located within Hendry County and typically represent lands considered to have limited economic opportunities for future development. Classified as lands having low utility, anticipations are that these lands would have limited practical use relating to future development.

**Parcel SC-100-064:**

Parcel SC-100-064 may have a significantly lower elevation, and appears to have been the location of a previous borrow operation, leaving an excavated pit on-site. This parcel contains an estimated 66 acres and would be considered to have low utility and minimal opportunity for future development or conventional utilization.

**Parcel SC-100-067:**

Parcel SC-100-067 is located tangent to the existing dike shown on the SFWMD summary sheets, and appears to have very limited utility, possibly related only to recreational or some low-intensity or passive use. This parcel contains 179.14± acres.

**Parcel SC-100-006:**

This parcel contains 22.5± acres and appears to be located internally within or contained by the dike surrounding Lake Okeechobee. Currently zoned "A-2", this parcel is expected to have very limited utility, and may not be suitable for conventional forms of development.

**Parcel SC-100-066:**

Parcel SC-100-066 is also a low-utility, triangularly shaped parcel containing approximately 39± acres. The site's elevation suggests that it may not be suitable for conventional forms of development.

**Parcel SC-100-168:**

This is a very small, non-economic parcel which appears to be attached to Parcel SC-100-065. It lies in close proximity to Lake Okeechobee and contains 0.08± acre. This low-utility parcel would have very limited potential for practical use relating to conventional forms of development.

## **TRANSITIONAL LANDS – RECONCILIATION OF COMPARABLE LAND SALES**

The evaluation of lands classified as transitional has been accomplished by giving consideration to the various land types previously described. Each category of those lands will now be individually discussed and reconciled below, with value estimates represented by an average price per acre.

### **RESIDENTIAL**

Giving consideration first to those subject properties identified as transitional and having potential for residential development, we have emphasized approximately 22 comparable land sales which are contained and summarized on the "Transitional Sales Summary Chart Residential" which follows. These comparable sales are utilized to provide an indication of the appropriate range of value for various residential transitional properties which have been individually considered.

The primary residential comparable sales included provide value range indications from approximately \$9,000/acre to in excess of \$129,000/acre. Addressing first the upper range of value, we note that only one comparable sale was at a level exceeding \$45,000/acre. Sale H-45 indicated \$129,000/acre. This land sale, however, involved a multi-family residential property where the price paid was not based upon a price per acre. The primary unit of comparison employed and relied upon for the purpose of this appraisal reflected a price per residential unit when analyzing this sale. This transaction reflected a price of \$12,500/residential unit. Many of the subject properties located in close proximity to or within the Clewiston community would be anticipated to have achievable densities ranging from approximately two to three dwelling units per acre. This sale, therefore, at \$12,500/residential unit, would indicate a price range from approximately \$25,000/acre to \$37,500/acre.

# TRANSITIONAL SALES SUMMARY CHART RESIDENTIAL

SALE #	Sale Date	Sale Price	Size (Acres)	Price/Ac	County	Grantor	Grantee
M-5(1883/1)++	4/5/2004+	\$10,938,700	1,215.41	\$9,000	MARTIN	CAMAYEN CATTLE CO	BRANT
M-4(2324/2214,2222)	4/25/2008	\$10,154,300	574.80	\$17,666	MARTIN	CAMAYEN CATTLE CO	PORT MAYACA PLANTATION, LLC
G-5(271/200+)	11/9/2007	\$4,992,500	532.19	\$9,381	GLADES	WEEKS CATTLE CO.	TRITON VI, INC.
M-3(2143/51)	5/11/2006	\$10,154,300	465.00	\$21,837	MARTIN	CAMAYEN CATTLE CO	PORT MAYACA PLANTATION, LLC
G-4(263/572)	4/5/2007	\$6,235,300	286.96	\$21,729	GLADES	JAMES S. CLICK, INC	S.T.O.F. HOLDINGS, LTD
H-48(751/846)	10-26-2006	\$2,270,000	163.79	\$13,859	HENDRY	HENDRY INDUSTRIES, LLC	HENDRY VENTURE, LLC
G-3(259/907)	12/1/2006	\$2,200,000	143.8	\$15,299	GLADES	ROBIN WEEKS FND.	LONG HAMMOCK GROVE INC
H-58(677/289)	6/18/2004	\$1,130,000	113.00	\$10,000	HENDRY	CAROLINE PAPE, ET AL	FLORIDA BUSINESS CENTERS
H-47(694/302)	2/17/2005	\$552,200	55.00	\$10,040	HENDRY	VIRGINIA ADAMS	PALM DEVELOPMENTS INC.
PB-71(21444/1175)	2/21/2007	\$1,505,000	42.95	\$35,041	PALM BEACH	SBG FARMS, INC	BW BELLE GLADE LLC
PB-81(20675/1148)	6/30/2006	\$1,200,000	40.37	\$29,725	PALM BEACH	T&M OF PALM BEACH, INC.	GLADES DEVELOPMENT PARTNERSHIP 1, LTD.
PB-67(192727/1311)++	9/15/2005	\$402,346	28.74	\$14,000	PALM BEACH	FIVE SMOOTH STONES	PORT MAYACA LAND, LLC
PB-77(20135/343)	3/24/2006	\$875,000	25.00	\$35,000	PALM BEACH	JOHN MARK THOMPSON	BW BELLE GLADE LLC
PB-73(21757/246)	5/10/2007	\$750,000	23.13	\$32,425	PALM BEACH	JOEL L. TABAS	SOUTH BAY ACQUISITIONS
H-36(775/67,71)	9/20/2007	\$517,800	20.71	\$25,002	HENDRY	USSC	RESOURCE CONSERVATION PROPERTIES INC., ET AL
PB-82(19796/358)	1/5/2006	\$900,000	19.99	\$45,023	PALM BEACH	THN INC.	T&M OF PALM BEACH, INC.
PB-79(19635/1708)	11/18/2005	\$400,000	19.88	\$20,121	PALM BEACH	ROY VANDEGRIFT JR	MIDWAY FOUNDATION INC
H-57(711/1853)	8/10/2005	\$600,000	19.68	\$30,488	HENDRY	FL RICE MILL INC	REY BERMUDEZ
PB-79A(22649/367)	5/13/2008	\$423,000	15.00	\$28,200	PALM BEACH	MIDWAY FOUNDATION	SCHOOL BOARD OF PBC, FL
PB-74(22718/1343)	6/18/2008	\$516,000	12.00	\$43,000	PALM BEACH	LEWIS FRIEND FARMS, INC.	MIDWAY CORPORATION
PB-80(22649/453)	2/13/2008	\$300,000	10.34	\$29,014	PALM BEACH	SCHOOL BOARD OF PBC, FL	MIDWAY FOUNDATION
H-45(715/585)	8-25-2005	\$1,000,000	7.75	\$129,032	HENDRY	WALKER	LENNAR HOMES
MEAN INDICATIONS	10/21/2006	\$58,016,446	3,835.49	\$15,126			

**TRANSITIONAL LANDS – RECONCILIATION OF  
COMPARABLE LAND SALES, CONT'D.**

**RESIDENTIAL, CONT'D.**

The remaining comparable sales shown on the summary of sales chart predominantly fall within the \$10,000/acre to \$30,000/acre price range. Our analysis of these comparable sales, many of which have been personally verified by our office, in addition to being verified by other offices, suggests that the lower range of value is most appropriate for properties where lower-density residential development is contemplated. These areas include, by way of example, transitional subject lands located westerly of the railroad tracks along SR 80/US 27 to the west of Clewiston. Within this area, we have found sales of properties and developments where densities reflect rural residential type communities. The lower range of value has been favored when valuing transitional lands which are considered to have potential for low density future residential development. The lower range of value is specifically favored due to the somewhat distressed nature of the local residential real estate market. Anticipations are that there would be a substantial marketing period required to actually sell these properties. Any potential purchaser would also recognize that it may be some time until the properties would be suitable for development, due once again to the lack of demand caused by the downturn of the local real estate market. While considered individually, the value of these components of the transitional lands has been estimated to range between \$10,000/acre to \$15,000/acre.

When transitional residential subject lands lie in close proximity to more urbanized development, i.e. the higher density western segment of the town of Clewiston, a range of \$25,000/acre to \$30,000/acre has been favored. This reflects the anticipation of a significantly greater density being achievable within this area which oftentimes ranges between two to three dwelling units per acre.

The evaluation of transitional lands located in relatively close proximity to the community of South Bay recognizes that many of these tracts were significantly larger in size, i.e., ranging from approximately 218 to 484 acres. These lands also consist predominantly of muck soil and are currently growing sugarcane. These lands have fewer transitional possibilities as compared to many of the other areas such as the more urbanized portions of Clewiston where transition to residential would most probably be more near term. These lands are currently designated for residential use which further suggests they should be considered transitional. In the final analysis, a lower range of value of \$10,000/acre to \$15,000/acre has been favored when considering the value of these transitional lands.

**TRANSITIONAL LANDS – RECONCILIATION OF  
COMPARABLE LAND SALES, CONT'D.**

**RESIDENTIAL, CONT'D.**

The evaluation of transitional lands owned by USSC located to the north in proximity to the communities of Pahokee and Canal Point, reflects our conclusions that these areas are only marginally transitional. Our inspection of the Pahokee community and the lands within this segment of the subject market area suggests that growth and development within this area may not reasonably be expected to occur in the near-term future. The Pahokee community was observed to be severely distressed, suggesting that most lands, regardless of zoning or Comprehensive Land Use Plan designations, located within this area will remain in agricultural production for an extended period. The lands considered to be transitional lie in close proximity to Lake Okeechobee and/or in close proximity to existing residential development. With consideration given to the interim agricultural use which is considered to be most profitable for these properties, the lower range of value indicated by all comparable sales has been favored when valuing transitional lands located in proximity to Pahokee and Canal Point. Our analysis suggests that if a premium was paid for these lands over the price paid for their agricultural value, that premium would be slight; therefore, we have valued these transitional lands at approximately \$10,000/acre.

## **FINAL VALUE ESTIMATE-TRANSITIONAL LANDS**

### **RESIDENTIAL**

The average price computed by summing the total consideration paid for all comparable transitional residential sales and dividing that sum by the total acreage sold, indicates an average price for residential transitional lands slightly in excess of \$15,000/acre. While not given primary emphasis when valuing the individual components or identified transitional parcels, this average or mean indication is considered instructive.

Noting further that many of the comparable sales involving transitional properties occurred at a point in time when the local real estate market was experiencing very positive demand from speculators, suggests that the mean price should be indicative in general of the upper range of value. We note also that many of the comparable sales involving transitional residential properties were significantly smaller than some of the identified parcels which were the subjects of this appraisal. This, again, suggests that the lower range of value should be favored when valuing the transitional residential lands which are the subject of this appraisal.

In the final analysis, with consideration given to the current real estate market which could best be described as distressed, and with consideration given to the size of the subject transitional parcels, we have estimated the value of these lands to be best represented by a price per acre of approximately \$14,500/acre on the average for some 5,474.22± acres of residential transitional land.

$$5,474.22\pm \text{ Acres } @ \$14,500/\text{Acre} = \$79,376,190.$$

## SUMMARY OF TRANSITIONAL LANDS UNITED STATES SUGAR CORPORATION

Base #	SFWMD NUMBER	TAX PARCEL ID NUMBER	COUNTY LOCATION	SEC	LOCATION TWP	RNG	ZONING LAND USE	PARCEL SIZE	H&B AND LAND IDENTIFICATION
<b>LANDS HAVING POTENTIAL HIGHEST AND BEST USE FOR FUTURE RESIDENTIAL</b>									
2	SC100-012	3 34 43 01 010 0041-001.0	HENDRY	1	43	34	CL-R1A	1.79	SF LOTS PT CLEWISTON S/D
2	SC100-014	3 34 43 01 010 0042-001.0	HENDRY	1	43	34	CL-R1A	1.96	SF LOTS PT CLEWISTON S/D
2	SC100-015	3 34 43 01 010 0040-001.0	HENDRY	1	43	34	CL-R1A	3.14	SF LOTS PT CLEWISTON S/D
2	SC100-016	3 34 43 01 010 0038-002.0	HENDRY	1	43	34	CL-R1A	0.50	SF LOTS PT CLEWISTON S/D
2	SC100-017	3 34 43 01 010 0129-001.0	HENDRY	1	43	34	CL-R1A	1.97	SF LOTS PT CLEWISTON S/D
2	SC100-018	3 34 43 01 010 0130-001.0	HENDRY	1	43	34	CL-R1A	0.73	SF LOTS PT CLEWISTON S/D
2	SC100-019	3 34 43 01 010 0067-001.0	HENDRY	1	43	34	CL-R1A	3.39	SF LOTS PT CLEWISTON S/D
2	SC100-020	3 34 43 01 010 0066-001.0	HENDRY	1	43	34	CL-R1A	2.64	SF LOTS PT CLEWISTON S/D
2	SC100-021	3 34 43 02 400 000A-007.0	HENDRY	2	43	34	CL-R1A	0.56	SF LOTS PT CLEWISTON S/D
2	SC100-026	3 34 43 02 501 000A-004.0	HENDRY	2	43	34	CL-R1C	0.27	SF LOTS PT CLEWISTON S/D
					TOTAL AC	AC		16.95	
3	SC100-004	1 34 43 07 010 0000-021.0	HENDRY	7	43	34	A-2/TRAN	135.00	W OF RR FUTURE RURAL RESIDENTIAL
4	SC100-005	1 34 43 08 A00 0003.0000	HENDRY	8	43	34	A-2/TRAN	330.00	W OF RR FUTURE RURAL RESIDENTIAL
BB	SC100-007	3 34 43 08 A00 0002.0000	HENDRY	8	43	34	R1-A,R3,C	-	Res/Com E OF RR/ N & S SIDE OF us 27
BB	SC100-008	3 34 43 17 A00 0001.0000	HENDRY	17	43	34	C, R1C	-	Res/Com E OF RR/ N & S SIDE OF us 28
BB	SC100-009	3 34 43 17 A00 0002.0000	HENDRY	17	43	34	R1-C	-	Res/Com E OF RR/ N & S SIDE OF us 29
BB	SC100-011	3 34 43 09 A00 0001.0A00	HENDRY	9	43	34	R1-A	487.51	Res/Com E OF RR/ N & S SIDE OF us 30
5	SC100-027	3 34 43 09 A00 0001.0200	HENDRY	9	43	34	CL-R1A	63.25	Residential/Recreational, Limited Utility
6	SC100-065	1 34 43 11 A00 0001.0000	HENDRY	11	43	34	A-2	30.00	Residential/Recreational, Limited Utility
7	SC100-061	1 34 43 24 A00 0008.0100	HENDRY	24	43	34	RG4 MDRS	12.00	SE Clewiston S 80 Residential Long Term
8	SC100-062	1 34 43 24 A00 0010.0000	HENDRY	24	43	34	RR MDRS	48.00	SE Clewiston S 80 Residential Long Term
9	SC100-067	1 34 43 24 A00 0001.0000	HENDRY	24	43	34	RR MDRS	8.33	SE Clewiston S 80 Residential Long Term
10	SC100-063	1 34 43 24 A00 0007.0000	HENDRY	24	43	34	RR MDRS	85.00	SE Clewiston S 80 Residential Long Term
11	SC100-030	3 34 43 01 010 0422-002.0	HENDRY	1	43	34	CL-R3	0.11	RES LOT N OF AZTEC SOUTH OF 80
12	SC100-042	1 34 43 20 A00 0001.0000	HENDRY	20	43	34	A-2 MD	421.12	TRANSITIONAL MED DEN RES
13	SC100-042	1 34 43 21 A00 0001.0000	HENDRY	21	43	34	A-2 MD	100.26	TRANSITIONAL MED DEN RES
	SC100-041	1 34 43 21 A00 0000.0000	HENDRY	21	43	34	A-2 MD	1.01	TRANSITIONAL MED DEN RES
14	SC100-035	3 34 43 15 A00 0003.0000	HENDRY	15	43	34	CL-R2	7.64	Comp Plan Mobile Home/Residential
15	SC100-036	3 34 43 15 A00 0004.0000	HENDRY	15	43	34	CL-R2	7.64	Comp Plan Mobile Home/Residential
16	SC100-055	1 34 43 21 040 00B0-002.0	HENDRY	21	43	34	RG3M	0.78	SF Lot in Harlem
17	SC100-100	00364402000007010	PALM BEACH	2	44	36	AR/RES	218.00	RES DEV/ SOUTH BAY NEAR RES
18	SC100-102	00364336010110000	PALM BEACH	36	43	36	AR/RES	784.00	RES DEV/ SOUTH BAY NEAR RES
19	SC100-103	00364412000005000	PALM BEACH	12	44	36	AR/RES	424.00	RES DEV/ SOUTH BAY NEAR RES
20	SC100-104	00364413000001000	PALM BEACH	13	44	36	AR/RES	848.00	RES DEV/ SOUTH BAY NEAR RES
21	SC100-087	00354336000001010	PALM BEACH	36	43	35	AG	265.00	NEAR LAKE AND RES SF CORKSCREW
22	SC100-124	00374204000001040	PALM BEACH	4	42	37	AR	109.00	RES N OF PAHOKEE
23	SC100-125	00374204000001040	PALM BEACH	4	42	37	AR	533.00	RES N OF PAHOKEE
24	SC100-130	00374204000001040	PALM BEACH	23	41	37	AR	538.62	RESIDENTIAL TO W ON LAKE
							5,474.22	5,474.22	
<b>VALUE ESTIMATE TRANSITIONAL RESIDENTIAL</b>					5,474.22 AC @	\$	14,500 PER AC =	<b>\$79,376,190</b>	

**TRANSITIONAL LANDS – RECONCILIATION OF  
COMPARABLE LAND SALES**

**COMMERCIAL/INDUSTRIAL**

A number of comparable sales have been employed for the purpose of estimating the current market value of lands which, in our opinion, should be classified as transitional, having potential for future use related to industrial/commercial type use. Those comparable sales shown on the sales summary chart range from approximately \$9,000/acre for a larger industrial tract containing 140± acres, to \$125,000/acre represented by the smallest of the comparable sales which involved an improved industrial lot located within the Clewiston Commerce Park. This upper range of value has been favored when giving consideration to the value of several of the subject transitional parcels which were very small in size, i.e. less than 1 acre.

The lower range of value, which was reflected by a sale whose location was inferior to many of the subject properties was considered to be a low-range indication of value applied to those subject transitional parcels which were larger in size.

Most of the subject transitional sales which were suitable for possible future industrial/commercial use were valued emphasizing the median range of value indicated by the comparable sales.

In the final analysis, a total of some 492.70± acres of land identified as transitional, and having the potential for industrial and commercial use, have been valued at \$32,000/acre, on the average.

**TRANSITIONAL LANDS HAVING  
INDUSTRIAL/COMMERCIAL POTENTIAL**

**492.70 Acres @ \$32,000/Acre = \$15,766,400.**

## TRANSITIONAL SALES SUMMARY CHART RESIDENTIAL

## TRANSITIONAL SALES SUMMARY CHART INDUSTRIAL / COMMERCIAL / ROCK

### TRANSITIONAL SALES SUMMARY COMMERCIAL INDUSTRIAL

SALE #	Sale Date	Sale Price	Size Ac	Price/Ac	County	Grantor	Grantee
H-52	11/23/2005	\$13,882,800	277.07	\$50,106	HENDRY	ALICO INC	DUKE GROVE,LLC
H-49	7/6/2005	\$1,261,700	140.00	\$9,012	HENDRY	BETTY JEAN LEE	WEEKLEY BROS. LEASING
H-12	1/12/2007	\$1,428,500	33.70	\$42,389	HENDRY	USSC	CITY OF CLEWISTON
PB-70	5/18/2006	\$1,100,000	31.88	\$34,504	PALM BEACH	CHESTER H. MULLIS	GENARO PRODUCE INC.
H-37	11/30/2007	\$1,159,400	21.10	\$54,948	HENDRY	USSC	KNAPHEIDE TRUCK EQUIP
H-56	8/30/2005	\$216,000	6.17	\$35,008	HENDRY	USSC	DARRK LLC
H-43	6/2/2008	\$737,500	5.90	\$125,000	HENDRY	CITY OF CLEWISTON	BUCHANAN

### TRANSITIONAL SALES SUMMARY LOW UTILITY PROPERTIES

SALE #	Sale Date	Sale Price	Size Ac	Price/Ac	County	Grantor	Grantee
S-3074	10/1/2004	\$1,095,000	401.92	\$2,724	SARASOTA	VENICE MINERALS & MINING	SARASOTA CO
COL-67	12/12/2003	\$424,452	353.71	\$1,200	COLLIER	ALICO INC	MIROMAR LAKES LLC
PB-83	4/1/1996	\$82,500	160.00	\$516	PALM BEACH	FNB PROPERTIES	KAHLERT

### TRANSITIONAL SALES SUMMARY ROCK AND EXCAVATION

SALE #	Sale Date	Sale Price	Size Ac	Price/Ac	County	Grantor	Grantee
LEE-1	9/14/2005	\$33,200,000	1,365.50	\$24,313	LEE CO	RESOURCE CONS PROP	RESOURCE CONSERVATION HLDG
PB-69	9/3/2003	\$1,906,660	376.00	\$5,071	PALM BEACH	COUSE	FIVE SMOOTH STONES
G-2	5-22-2006	\$10,560,000	526.34	\$20,063	GLADES	BRONSON	ALICO INC
M-56	4/19/2005	\$13,013,700	1,032.00	\$12,610	MARTIN	TRUCANE SUGAR	LAKE POINT,LLC
M-56A	1/3/2008	\$30,000,100	1,033.00	\$29,042	MARTIN	LAKE POINT LLC	LAKE POINT PHASE 1 LLC
PB-255	11/15/2000	\$15,098,550	1,006.57	\$15,000	PALM BEACH	NEW HOPE SUGAR+	PALM BEACH AGGREGATES

**TRANSITIONAL LANDS – RECONCILIATION OF  
COMPARABLE LAND SALES**

**LIMITED UTILITY**

Several of the USSC land holdings identified as transitional in nature were believed to have very limited utility due to physical characteristics such as low elevation, wetland characteristics, or having been previously used for borrow operations. Without the benefit of environmental studies and engineering evaluations of these parcels, it would be impossible to correctly evaluate the specific utility of these lands. Anticipations are that, for the most part, these appear to be non-economic marginal properties having very low utility and as a component to the total USSC enterprise, a minimal value. For the purpose of this analysis, these low-utility properties have been valued based upon \$2,500/acre.

**306.67 Acres @ \$2,500/Acre = \$766,675.**

## **RECONCILIATION OF COMPARABLE LAND SALES**

### **TRANSITIONAL LANDS – LIMESTONE ROCK LANDS**

The USSC transitional land classification includes two parcels which are anticipated to be capable of supportable future limestone rock excavation and mining activities. These lands are currently in the process of being permitted to allow for the extraction of limestone and are valued based upon the extraordinary assumption that there is a reasonable probability that these lands will be capable of being permitted to allow limestone mining to occur at each of the sites. The demand for rock at these locations, giving consideration to the status of the real estate market, make determination of demand for rock product in these locations, difficult to accurately predict. An evaluation of the actual present value of any mining income which these lands are capable of producing at some future time is considered to be both speculative and well beyond the scope of the services requested in this appraisal assignment.

We have accomplished our stated purpose of valuing these properties as a component of the entire USSC holdings by reviewing the sales of other properties purchased throughout the state of Florida where lands showed the potential for future mining. Those sales shown on the comparable sales summary sheet include properties in Lee, Palm Beach, Glades, and Martin Counties. These sales involve properties where the purchasing party anticipated that the land would be suitable for future excavation.

**LEE-1:** This comparable sale involved a property which was purchased for future rock excavation and is located along the northern right-of-way of Corkscrew Road in Lee County, FL. Purchased by a known rock operator in a transaction where an additional consideration may have been paid by the ultimate contract purchaser, the recorded price was indicated to \$33,200,000 for some 1,365.5± gross acres. This indicates a total consideration of approximately \$24,313/gross acre. Information obtained in the course of this assignment suggests that Mr. Youngquist, the ultimate purchaser, may have paid approximately \$700/acre to the original contract purchaser, resulting in a total consideration of some \$34,200,000. This would indicate a gross price per acre of \$25,000/gross acre.

## **RECONCILIATION OF COMPARABLE LAND SALES**

### **TRANSITIONAL LANDS – LIMESTONE ROCK LANDS. CONT'D.**

**LEE-1, Cont'd.:** Verifications indicated that the purchaser understood there was good quality DOT grade rock located on the western one-half of the property, and the balance of the land was well suited for the excavation of general base material. The depth of the overburden for this site was estimated to be approximately 25 feet. Generally speaking, this sale is considered less favorable than the subject property due to the fact that the extraordinary assumption upon which this appraisal is founded anticipates a high probability of obtaining all necessary permits to allow for the excavation of both subject limestone rock parcels. This sale, however, occurred with no approvals in place, and Lee County has historically proven to be a very difficult location to permit rock excavation. A permit to extract limestone applied for on a property located directly to the south of the subject was known to be denied. Therefore, in the final analysis, this sale, even though indicating \$24,000-\$25,000/gross acre, was judged to be a low-range indication primarily due to the fact that permitting within Lee County at this point in time is considered to be extremely risky. The extraordinary assumption upon which this appraisal is founded anticipates that there is a high likelihood and, therefore, little risk associated with permitting the subject rock mining sites.

**PB-69:** This comparable sale involved a transaction occurring in 2003 involving some 376± acres of land selling at \$5,000+/acre. No permits were in place at the time of sale, therefore, suggesting this would be an extreme low-range indication of value for the subject property, which by extraordinary assumption, has the likely probability of receiving permits. Subsequent to this purchase, 121± acres of the total 376± acres were permitted for rock excavation, however, the actual excavation area was restricted to some 78± acres. Two-thirds of the site permitted was reported to be good quality DOT rock, with the balance considered to be good base material.

When analyzing this comparable sale, our verification further indicated that the purchasing party, after receiving permits to excavate limestone, received an offer in 2008 for \$37,500/acre for the 121± acres which were permitted. This value indication is considered significant, however, indicates in our opinion, only the upper range of value, recognizing that this proposed purchase is only for those lands which have been permitted.

## RECONCILIATION OF COMPARABLE LAND SALES

### TRANSITIONAL LANDS – LIMESTONE ROCK LANDS. CONT'D.

**PB-69, Cont'd:** This condition is considered to be superior to that of the subject property which, while having the likely probability of permitting, has not yet been permitted. We also note that the size of this tract and the proposed excavation area is substantially less than that of the subject. Therefore, in the final analysis, this sale has been utilized as an indication of value by considering the current offer which is judged to be an upper range indication of value due to the size of the parcel and the fact that an existing permit removed all risk of permitting and excavation at this site.

**G-2:** This transaction involved approximately 526± acres of land selling for \$10,560,000 in May 2006. This property is located in Glades County and had been previously used for excavation of surface materials. Verification information indicates that permit applications are currently being processed and have been submitted to DEP. Indications are that this property, which is located in close proximity to other mining activities within Glades County, would have a reasonable probability of being permitted.

This sale is considered to be an appropriate indicator of the range of value for the subject mining transitional properties and, in some respects, would be a low range indication of value recognizing that both subject rock mining parcels have direct rail exposure which potentially could expand the market for rock excavated from the subject properties. This comparable sale, however, has a locational characteristic considered to be superior to the subjects as it is located directly on the Caloosahatchee River. This locational characteristic and the design of the excavation suggest that the purchaser, in the future, will enjoy the opportunity to use the residential land for residential development. In the final analysis, at some \$20,000/acre, this sale is considered to be an appropriate indicator of value for the subject property.

## RECONCILIATION OF COMPARABLE LAND SALES

### TRANSITIONAL LANDS – LIMESTONE ROCK LANDS, CONT'D.

**M-56:** This sale occurred in 2005 for \$13,000,000 for approximately 1,032± acres. At some \$12,610/acre, the purchasing party originally anticipated the development of a residential community and polo fields. Subsequent to this sale, the property was permitted for rock excavation to be used for the construction of the planned residential community. The purchasing party realized the enhanced utility associated with the land for rock excavation, and then subsequently sold the property in January 2008 for \$30,000,000, or approximately \$29,000/acre. The property is now reported to be in the final stages of the permitting, with some permit approvals having been received from Martin County to allow for rock excavation. The size of this parcel, in combination with the fact that both USSC lands suitable for rock mining are substantially larger parcels, suggest that at \$29,000/acre, this would be indicative of the upper range of value appropriate for the subjects.

**PB-255:** This transaction involved approximately 1,000± acres of land selling in November 2000 at approximately \$15,000/acre. Verifications indicated that Palm Beach Aggregates, the purchaser of this property, acquired the land in an attempt to control competition, as testing had revealed that this site represented one of the few other sites within the immediate area of their existing limestone excavation project which could effectively compete. The selling party reserved the right to participate in any income produced in the future related to non-mining activities such as water storage, and were well aware of the ongoing negotiations to acquire Palm Beach Aggregates' existing pits by the SFWMD. The seller also retained a favorable position to lease the land back from the purchasing party so that the land could continue to be used for sugarcane production. These factors, in combination, suggest that at \$15,000/acre, this sale is indicative of the lower range of value for the subject as of the effective date of analysis.

## **FINAL VALUE ESTIMATE – ROCK LANDS**

In the final value estimate, giving consideration to the basic size of the subject properties and with consideration given to the collective supply of rock materials which these properties would have the capacity to produce, the lower range of value is considered to be most appropriate. The extraordinary assumption upon which the evaluation of these rock lands is based greatly influences the value by significantly reducing the discount that the market would logically apply for the risk associated with permitting these lands to allow for rock excavation. The primary range of value indicated from the sales analysis suggests values ranging from approximately \$15,000/gross acre to \$30,000/gross acre. A significant discount is considered to be appropriate to reflect for the larger size of these parcels, even though they are currently anticipated to be used independently by two separate operators. Our final value estimate for these transitional lands which have future potential for rock excavation has been based upon a value of \$20,000/acre.

### **VALUE ESTIMATE TRANSITIONAL LANDS FUTURE ROCK LAND POTENTIAL**

**12,964.93± Acres @ \$20,000/Acre = \$259,298,600**

TRANSITIONAL LANDS HAVING POTENTIAL FUTURE FOR COMMERCIAL / INDUSTRIAL									
Base #	DISTRICT PARCEL NUM	TAX PARCEL ID NUMBER	COUNTY LOCATION	SEC	LOCATION TWP	RNG	ZONING LAND USE	PARCEL SIZE	H&B AND LAND IDENTIFICATION
26	SC100-039	3 34 43 01 010 0390-002.0	HENDRY	1	43	34	CL-I	0.26	PLATTED LOTS CLEWISTON S/D
27	SC100-028	3 34 43 16 A00 0010.0000	HENDRY	16	43	34	CL-P	112.34	OLD AIRPORT Adj to Industrial/Res
28	SC100-029	3 34 43 16 A00 0013.0000	HENDRY	16	43	34	CL-I	11.37	E of AP INDUSTRIAL
29	SC100-169	4 34 43 15 A00 0013.0000	HENDRY	15	43	34	CL-I	18.23	INDUSTRIAL
30	SC100-170	5 34 43 15 A00 0013.0000	HENDRY	15	43	34	CL-I	14.00	INDUSTRIAL
31	SC100-031	3 34 43 16 A00 0016.0000	HENDRY	16	43	34	CL-I	7.95	Des Commercial, More Industrial
32	SC100-032	3 34 43 01 010 0488-001.0	HENDRY	1	43	34	CL-C	2.84	Des Commercial, More Industrial
33	SC100-033	3 34 43 01 010 0492-001.0	HENDRY	1	43	34	CL-C	2.63	Des Commercial, More Industrial
34	SC100-034	3 34 43 16 A00 0016.0200	HENDRY	16	43	34	CL-C	2.52	Des Commercial, More Industrial
35	SC100-037	3 34 43 16 A00 0015.0000	HENDRY	16	43	34	CL-C	16.69	TRANSITIONAL COMM
36	SC100-010	1 34 43 17 A00 0004.0000	HENDRY	17	43	34	A-2	22.37	TRANSITIONAL STRIP E SIDE HARLEM
37	SC100-043	1 34 43 17 A00 0003.0000	HENDRY	17	43	34	A-2	281.50	TRANSITIONAL CANE DES IND
							492.70	492.70	
VALUE ESTIMATE TRANSITIONAL INDUSTRIAL/COMMERCIAL						492.70	AC @ \$32,000/AC =		\$15,766,400
TRANSITIONAL LANDS HAVING LIMITED UTILITY									
38	SC100-064	1 34 43 13 A00 0001.0100	HENDRY	13	43	34	A-2	66.00	OLD BORROW PIT LIMITED UTILITY
39	SC100-067	1 34 43 13 A00 0001.0000	HENDRY	13	43	34	A-2	179.14	BORROW WET LOW UTILITY
40	SC100-006	1 34 43 08 A00 0001.0000	HENDRY	8	43	34	A-2	22.45	Old Lake Bottom/Limited Utility
41	SC100-066	1 34 43 14 A00 0001.0000	HENDRY	14	43	34	A-2	39.00	TRIANGLE WET LOW UTILITY
42	SC100-168	2 34 43 14 A00 0001.0000	HENDRY	14	43	34	A-2	0.08	NON ECONOMIC PARCEL
							306.67	306.67	
VALUE ESTIMATE TRANSITIONAL LANDS LOW UTILITY					306.67	ACRES @ \$2,500/AC =		\$766,675	
TRANSITIONAL ROCK MINING LANDS									
	SC100-134	00384201000001030	PALM BEACH	1	42	38	AG	3,468.93	STUART MINING
	SC100-135	00394208000007000	PALM BEACH	8	42	39	AG	1,951.00	STUART MINING
	SC100-095	00354423000009000	PALM BEACH	23	44	35	AG	2,475.00	LAKE HARBOR QUARRY
	SC100-096	00354425000009000	PALM BEACH	25	44	35	AG	5,070.00	LAKE HARBOR QUARRY
							12,964.93		
VALUE ESTIMATE ROCK MINING LANDS					12,964.93	AC @ \$20,000 PER ACRE =		\$259,298,600	
TOTAL VALUE ESTIMATE TRANSITIONAL LANDS						19,238.52	ACRES	\$355,207,865	

**AGRICULTURAL LANDS**

## **AGRICULTURAL LANDS - IDENTIFICATION OF SUBJECT PROPERTIES AND PROBLEM TO BE SOLVED**

The majority of USSC land holdings has historically been, and is anticipated to continue to be, used for agricultural production. When completing prior appraisals of this property, the value estimate developed anticipated that approximately 130,000± acres would be required to be used for sugarcane production to feed the existing USSC sugarcane mill. This appraisal, however, differs from that prior appraisal in that the land is valued as a separate component without the necessity of this land to be strictly used for sugarcane production. The difference between these two assumptions is significant in that it requires the appraisers to further consider the highest and best use of much of the land where the potential for alternative agricultural crops may, at some future time, displace historical use for sugarcane production.

Understanding that the profit margin enjoyed by those growing sugarcane has been declining due to the relatively flat price of raw sugar production, combined with the rising cost of production, fuel and fertilizer, we believe it is logical to conclude that some alternative uses of this land could reasonably be expected in the foreseeable future. This is not to say that this value estimate for these components or land parcels anticipates transitioning to uses other than agricultural. Transitional lands have been previously discussed and valued within prior sections of this appraisal report. Our analysis of the agricultural lands based upon our understanding that they will not necessarily be required to continue to be used predominantly for sugarcane production allows alternative crops, such as row crops, tree farms, sod production and other alternative agricultural uses to be further considered. When developing this appraisal, and defining the problem to be solved, we have reflected, in our opinion, the value of the agricultural land recognizing that it has multiple opportunities to be used in a variety of agricultural endeavors.

The agricultural lands which are the subject of this component of the appraisal include lands which cover a significant geographical area. The USSC ownerships are located in an area ranging from approximately 13± miles west of Clewiston, along both the north and south sides of SR 80, to an area south and east of Lake Okeechobee and approximately 7-8 miles north of the community of Pahokee. Information has been provided, including various maps, drawings, summary sheets and other information which depicts the location of these lands. We have relied upon these documents when completing our inspections of the properties and when developing this appraisal.

**AGRICULTURAL LANDS - IDENTIFICATION OF  
SUBJECT PROPERTIES AND PROBLEM TO BE SOLVED,  
CONT'D.**

When completing our evaluation of the agricultural land component of this appraisal, we have divided the lands into basic zones or components based upon productivity, location, physical characteristics and anticipated future use. Those component parts may be described as follows:

- ❖ Lands lying easterly of Blumberg Road, including agricultural lands in close proximity to the communities of Clewiston and South Bay
- ❖ Lands lying westerly of Blumberg Road, both to the north and south of SR 80/US 27
- ❖ Lands lying easterly of US 27 proximate to the communities of South Bay, Belle Glade, Pahokee and Canal Point, to the east of Lake Okeechobee

The location of these lands is depicted on the copy of the General Vicinity Map which was provided by the United States Sugar Corporation. Specific parcels have been identified by both tax identification numbers and by South Florida Water Management District parcel numbers.

The various spreadsheets and summaries provided also include specific identification of land sizes which have been developed through technical analysis of individual parcels. While we have reviewed estimated sizes provided by Hendry and Palm Beach Counties' Property Appraiser offices and information provided by USSC, the final value estimates contained within this appraisal report rely specifically upon those sizes outlined on the summary sheets produced by the South Florida Water Management District.

The first area considered includes lands lying to the east of Blumberg Road which are traditionally known by the local market to consist predominantly of muck or organic type soils which are highly suitable for the growing of sugarcane. While inspecting this area, we observed a number of alternative agricultural uses, however, this area has historically and is currently predominantly used for sugarcane production.

**AGRICULTURAL LANDS - IDENTIFICATION OF  
SUBJECT PROPERTIES AND PROBLEM TO BE SOLVED.  
CONT'D.**

The second agricultural land component considered includes lands lying to the west of Blumberg Road, both to the north and south of SR 80, and proximate to the community of Moore Haven. This area has traditionally been known for its soils which are more sandy in nature and referred to as "mineral soils." Within this area, we observed the growing of sugarcane, as well as the growing of alternative crops such as citrus, row crops and sod. We also observed several cattle operations within this zone.

The third agricultural area considered includes lands located easterly of US 27 predominantly north of the community of South Bay, extending northerly of the communities of Pahokee and Canal Point and lying well to the east of Lake Okeechobee. Soils within this area, especially if their location is in close proximity to Lake Okeechobee, are traditionally known for their deep muck which exceeds the typical muck depth common to other lands located further to the south and west. The general market perceives this area to be more productive and, therefore, more valuable than other lands or areas where USSC controls agricultural properties.

The problem to be solved in this appraisal assignment is one of estimating the current market value of the USSC agricultural lands, understanding that they must not, by necessity, be maintained for use only related to sugarcane production to fuel the existing USSC sugar mill. The highest and best use of these properties would, in many instances, involve uses for alternative agricultural activities, many of which would be expected to produce a greater return to the land than the growing of sugarcane. The highest and best use of the entire agricultural component, consisting of some 130,000± acres, would not, in our opinion, be to simultaneously offer all of the property for sale at one time, or to anticipate immediate and complete conversion to alternative agricultural uses. We believe it is more likely that the highest and best use of the property would be realized if a variety of uses, with emphasis placed upon alternative agricultural uses be established based upon the various locational characteristics of the parcels, their sizes, and the productivity of the various lands.

**AGRICULTURAL LANDS - IDENTIFICATION OF  
SUBJECT PROPERTIES AND PROBLEM TO BE SOLVED,  
CONT'D.**

This appraisal does not anticipate that the entire USSC sugar lands would be sold in bulk to one purchaser or user. Should the USSC agricultural holdings be offered for sale to the general public, we anticipate that there would be a variety of market participants wishing to acquire the various components or parcels, and that those market participants would utilize the land for a variety of purposes. The marketing time anticipated to accomplish such a sale would logically extend substantially into the future as the various component parts would be gradually absorbed.

To accomplish the stated task, we have employed the most widely recognized appraisal technique typically relied upon for the purpose of valuing vacant land, the Sales Comparison Approach to value. As previously described within prior sections of this appraisal report, this process involves collecting comparable sales which are considered similar to the subject properties and then comparing those sales directly to the subject properties to yield an indication of an appropriate range of value for the individual parcels being appraised.

Comparable sales researched, analyzed and verified are taken from the general market area of the subject property, and typically involve properties which were purchased for a variety of agricultural uses. Examples include lands which were purchased for cattle ranching, growing of sugarcane and row crops, sod production, tree farms and other agricultural endeavors. In our opinion, these sales best exemplify the general uses which the USSC parcels would experience if the component parts were sold in the open market.

We have also considered the general productivity of the various component parts of the agricultural lands, as certain areas are generally known to be more productive where muck depths are greater or where the warming effect of Lake Okeechobee reduces the risk of crop damage.

## AGRICULTURAL LANDS - HISTORY OF SUBJECT PROPERTIES

The various agricultural lands which are the subject of this appraisal have been identified and described by the South Florida Water Management District in a list compilation of all information describing each parcel. The various spreadsheets and summary documents provided by the South Florida Water Management District are, by reference, made part of this appraisal report. Any intended user of this appraisal report is directed to those summary sheets to review historical transactions, sales or other information pertaining to the individual histories of these subject properties.

## AGRICULTURAL LANDS - DESCRIPTION OF SUBJECT MARKET AREA

The subject market area considered for the purpose of valuing the agricultural land component of the United States Sugar Corporation holdings may be defined as lands located within western Palm Beach County, lands lying throughout Hendry County, and lands positioned along the western side of Lake Okeechobee in Glades County. The productivity of the agricultural lands is unique due to soil characteristics and weather conditions, making it one of the best agricultural areas located within the State of Florida. Our inspections suggest that it will remain predominantly agricultural within the foreseeable future.

The productivity of the area and its unique soil characteristics suggest that when valuing properties lying within this area, comparable sales which are taken from the same area would be considered the most reliable indicators of value. Agricultural lands lying in closer proximity to coastal areas along both the eastern and western coasts of Florida oftentimes reflect market conditions which anticipate changes from agricultural to more intensive uses. We have attempted to exclude the sales of properties where speculative prices have been paid in anticipation of uses changing from agricultural to some more intensive use when valuing the agricultural component of the United States Sugar Corporation's ownerships.

## AGRICULTURAL LANDS - DESCRIPTION OF AGRICULTURAL LANDS APPRAISED

The evaluation of the USSC agricultural lands requires that we give consideration to a variety of factors when developing value estimates of these component parts. Information obtained during the course of this assignment repeatedly suggests that the market is well aware that lands owned by USSC are some of the most productive agricultural lands lying within this market area.

### LANDS EAST OF BLUMBERG ROAD

Considering first those lands lying to the east of Blumberg Road, we note that much of this area has been controlled by USSC and has historically been used for the production of sugarcane. This includes lands lying south of Lake Okeechobee lying in proximity to US 27 and also easterly of US 27, proximate to the South Bay community. This area is known for its organic or mucky soils which are well suited for the growing of sugarcane, as well as other crops. Our inspections of this area revealed that much of the land has been configured to allow for its agricultural production by constructing conveyance canals and interior agricultural roadways, and has also been improved with various drainage and water control devices to facilitate the agricultural uses found in this area. Our inspection also revealed certain areas which appear to have shallow soil depths with rock underlayment, a condition which was confirmed by several market participants. This component of the agricultural lands owned by USSC encompasses approximately 43,000± acres.

The summary sheet titled "Parcel Summary Lands Lying East of Blumberg Road" illustrates the SFWMD parcel numbers and identifies the county in which these lands are located, as well as the specific section, township and range. The size of each of the SFWMD parcels is also identified. The reader may note that the indicated section, township and range do not always fully legally describe the parcel or its size. Many times, the section, township and range represent a "lead number" describing the general location of an identified parcel. Oftentimes the indicated section number may be one of many sections which make up the SFWMD-identified parcel.

AGRICULTURAL LANDS - DESCRIPTION OF  
AGRICULTURAL LANDS APPRAISED, CONT'D.

**LANDS WEST OF BLUMBERG ROAD**

Lands lying to the west of Blumberg Road depicted on the parcel summary sheet also include identified SFWMD parcel numbers. The sizes of these parcels illustrated on the summary sheet range from approximately 1± acre to in excess of 8,500± acres.

Again, the parcel sizes identified by SFWMD do not necessarily identify independent parcels which would be utilized or marketed based upon the parcel so delineated. These parcels have primarily been identified for the convenience of cataloguing the lands and, in many cases, the highest and best use of such parcels may involve either the combining or dividing of such parcels into economic units which would prove to be best suitable for agricultural production. These lands, lying westerly of Blumberg Road, are predominantly within Glades and Hendry Counties, and contain a total of approximately 30,700± acres. This includes lands lying both to the north and south of SR 80, as well as lands lying proximate to the community of Moore Haven.

**LANDS N.E. OF US 27 / PAHOKEE**

The third component or geographical area considered in this evaluation includes those lands owned by USSC lying to the north and east of US 27 in proximity to the communities of Belle Glade, Pahokee and Canal Point. These are considered to be the most productive lands owned by the USSC and are traditionally thought of by the local market as the most valuable muck lands within the subject market area. This area is also considered to be highly desirable because of the warming effect of Lake Okeechobee when lands lie in close proximity to the lake. The summary sheets provided identify each of the parcels which, collectively, total approximately 56,985± acres. Maps and drawings provided by SFWMD which specifically identify the location, shape, size and configuration of these properties are, by reference, made part of this appraisal report.

## AGRICULTURAL LANDS – DISCUSSION OF HIGHEST AND BEST USE

When completing the appraisal of the agricultural lands owned by USSC, we have attempted to carefully consider the market perceived differences in the various types of lands which USSC owns. Agricultural lands have been individually considered and analyzed as components of the total holdings based upon their location, physical characteristics, and productivity. In the course of this assignment, we have requested that USSC provide specific production figures identifying and quantifying the historical production of the various farms and lands owned by USSC. As of the date of the writing of this report, these production figures have not been provided and, therefore, we have proceeded based upon information we have collected through verifications and discussions with individuals who are knowledgeable in the market. We specifically reserve the right to revise this appraisal in the event actual production figures are produced at some future time, as these production figures would allow us to more finitely consider the utility of the lands appraised.

When completing our Sales Comparison Approach, we have researched a wide variety of comparable sales and have divided these sales into similar zones based upon location and productivity.

When completing our prior appraisal of this land, agricultural components were valued understanding that it would be necessary to have the land remain, for the most part, in sugarcane production to allow adequate supply of product to fuel the USSC mills. This appraisal, however, does not include that same assumption, and specifically anticipates that alternative crops would also be possible for lands now being used for sugarcane production.

Examples of other uses which are common to the area and which have been reported to produce significant returns to the land include tree farms, row crops and sod production. While completing this appraisal assignment, we have also examined numerous articles and information suggesting that alternative crops, including possibly corn and sweet sorghum may ultimately be produced within this agricultural market area, anticipating the development of industrial processing plants used to manufacture ethanol. Production of ethanol within the EAA is, at this time, considered to be somewhat speculative and no market evidence yet exists to demonstrate the impact which such use may have upon land values. Such possibilities are, however, clearly being considered by a variety of market participants and may, in the future, create significant demand for lands historically used for sugarcane production.

AGRICULTURAL LANDS – DISCUSSION OF HIGHEST AND BEST USE, CONT'D.

Our analysis suggests that the relatively low profit margin produced through the growing of sugarcane may prove to be a major catalyst causing this agricultural market area to slowly transition from predominantly sugarcane to other alternative crops. The demand for such conversion to alternative crops, as of the effective date of this appraisal, is considered to be significantly impacted by the current status of the local real estate market. Specifically, the demand for tree farms and sod production has dramatically declined due to the downturn in the residential real estate market throughout the State of Florida. Recognizing that the real estate market has historically moved in cycles, we would anticipate that in the future growth and development of south Florida will again support the demand for alternative agricultural products, such as landscape materials used in the residential and commercial building industry.

When giving consideration to the highest and best use in general of all USSC lands, we logically anticipate that sugarcane production would continue to be the dominant use of the land in the short term. Alternative agricultural uses would be expected to continually displace sugarcane production due to their greater profitability. The timing for such a transition would, more than likely, be coincident with the recovery of the local real estate market, and may also be accelerated by any future demand and/or speculation relating to ethanol production within this area.

The conclusion that the subject lands have the opportunity to transition into other alternative agricultural uses is further supported by studies completed by the consulting firm of Duff & Phelps. This firm is currently conducting an analysis of all USSC holdings and has reported that the demand for raw sugar to fuel the existing mills could be met and may actually be even more economically satisfied through the importation of raw sugar from other countries. Therefore, this indicates there would not be the continued requirement to devote the majority of existing lands to the production of sugarcane required to fuel the USSC mill.

The results of this analysis, therefore, lead us to the conclusion that the highest and best use of the lands owned by USSC may best be realized if the land is continued to be used for sugarcane production in the interim, while some of the land gradually transitions into more profitable alternative agricultural uses.

## DISCUSSION OF GLADES COUNTY ZONING AND FUTURE LAND USE DESIGNATIONS

A review of the Glades County zoning map indicates that the subject properties located within Glades County are all currently zoned "OUA", Open Use Agricultural. The Open Use Agricultural district is intended for agricultural uses and to preserve for agricultural uses those lands with productive agricultural development potential. Open spaces, park lands, water sheds and water recharge areas are also intended to be protected in this district. The regulations discourage or prohibit non-agriculturally oriented residential development and generally prohibit commercial and industrial development.

Examples of some of the permitted principal uses and structures include: agricultural uses; temporary roadside stands for sale of agricultural products grown on-site; commercial or livestock, breeding, training and boarding of horses; hunting camps; wholesale plant nursery; residential single-family dwellings and manufactured homes, subject to a density of 1 unit per 20 acres; conservation areas and wildlife management; railroad tracks and sidings, as well as home occupations. A wide variety of uses are allowed by Special Exception, including commercial packing house for fruits and vegetables; processing facilities for agricultural products; dairy production; cemetery; golf courses and country clubs, as well as mining and drilling operations, just to name a few.

In addition, a review of the Future Land Use Element of the Glades County Comprehensive Plan indicates that the subject properties are currently designated "Agricultural/Open". These are land areas intended for agricultural uses and to preserve for agricultural uses those lands with productive agricultural potential. Open spaces, park lands, water sheds and water recharge areas are also included in these areas. Densities shall be up to 1 residential unit per 20 acres.

## **DISCUSSION OF PALM BEACH COUNTY ZONING AND FUTURE LAND USE DESIGNATIONS**

The agricultural lands located in Palm Beach County are currently zoned "AP", Agricultural Production District. The "AP" district is to conserve and protect areas for exclusive, bona fide agricultural and farming related operations particularly where soil and water conditions favor continued agricultural production. A wide range of agricultural activities and their accessory uses shall be permitted in the "AP" district in order to maintain the vitality of the agricultural industry in Palm Beach County.

In addition, the subject properties are currently designated on the Future Land Use Plan of Palm Beach County as Agricultural Production. The following land uses and intensities are allowed within areas designated as agricultural production: cultivation of crops and livestock including crop land; pasture land; groves; nurseries; ornamental horticulture areas; thoroughbred and pleasure horse ranches/equestrian facilities; cattle ranches; and specialty farms. In addition, it allows facilities associated with, and dependant upon, a principal agricultural activity including, but not limited to, transportation, storage or processing of agricultural products or byproducts. In addition, mining, subject to limitations and low density residential are also allowed within the "AP" district.

## **DISCUSSION OF HENDRY COUNTY ZONING AND FUTURE LAND USE DESIGNATIONS**

The agricultural lands located in Hendry County are currently zoned "A-2", General Agriculture. Examples of some of the permitted uses found within the "A-2" district are agriculture, hunting camp, mobile home, single-family dwelling, a variety of public and semi-public uses, and neighborhood recreation. The minimum lot size within the "A-2" District is 5 acres.

According to the Hendry County Future Land Use Map, the subject properties are currently designated "Agriculture." The Agriculture category includes various uses defined as follows: cultivation of crops; raising of livestock; and production and processing of agricultural products, including cropland, pastureland, orchards, vineyards, nurseries, groves, specialty farms, ornamental horticulture, confined feeding operations, silva culture, food processing and production and similar uses.

*AGRICULTURAL LANDS*

*RECONCILIATION OF  
COMPARABLE SALES FOR  
LANDS LYING EASTERLY OF  
BLUMBERG ROAD*

**AGRICULTURAL LANDS – RECONCILIATION OF  
COMPARABLE SALES FOR LANDS LYING EASTERLY OF  
BLUMBERG ROAD**

The basic agricultural components of the appraisal of all USSC agricultural lands have been divided into three component parts. The first of these is represented by lands lying east of Blumberg Road. This area includes lands lying both to the north and south of SR 80, predominantly south and easterly of the community of Clewiston, running approximately to US 27. Lands lying within this area consist predominantly of muck lands which have historically been used for sugarcane production.

When valuing lands lying east of Blumberg Road, we have given consideration not only to those sales located to the east of Blumberg Road, but also other sales throughout the subject market area. A relatively small sample of sales involving properties lying east of Blumberg Road were available for analysis. These sales, therefore, were analyzed in conjunction with other agricultural sales within the subject market area. The basic range of value indicated by these comparable sales lying east of Blumberg Road is from \$5,500/acre to approximately \$8,000/acre. Sizes for these sales range from 287± acres to 1,918± acres. These transactions occurred from 2006 to 2007. Additional comparable sales lying within the subject market area yield similar indications of value for tracts which are considered to be similar to the subject parcels.

Once again, we find it necessary to give consideration to the status of the local real estate market, understanding that even alternative agricultural uses may have been impacted to some degree by the real estate recession which is now ongoing. Additionally, these lands lying to the east of Blumberg Road also represent a component of the overall USSC holdings which may collectively be combined to be sold or utilized by the market in larger components. It is important for the appraiser to state once again that the highest and best use of the USSC lands is, in our opinion, not to sell these lands as one large collective ownership. We believe that the highest and best use of the property would be realized if the land was sold and/or utilized in various economic units which would prove to be most profitable and which could be marketed at prices which, more than likely, would be higher than the price which could be anticipated if the property was sold as one bulk wholesale tract. Our value estimate also takes into consideration, and reflects in the final price per acre estimated, that it would take some time to effectively market these properties to a variety of potential purchasers.

**AGRICULTURAL LANDS – RECONCILIATION OF  
COMPARABLE SALES FOR LANDS LYING EASTERLY OF  
BLUMBERG ROAD, CONT'D.**

The average selling price per gross acre for lands lying east of Blumberg Road was approximately \$7,600/acre. Several factors have been considered when estimating the final value for these lands lying east of Blumberg Road. The first of these acknowledges that most comparable sales available for analysis occurred at a point in time when market conditions were more favorable. This suggests that the average selling price of \$7,600/gross acre would be indicative of the upper range of value. We have also given consideration to the fact that it would take some time to market these lands to active market participants. This also, therefore, further suggest the average or mean price paid should represent only the upper range of value.

In the final analysis, we have favored the lower range of value for lands lying easterly of Blumberg Road, primarily due to size considerations, as well as recognition of the current real estate market. The final value estimate for these lands is based upon \$5,500/acre.

$$42,960.79\pm \text{ Acres @ } \$5,500/\text{Acre} = \$236,284,345$$

## VALUE SUMMARY FOR LANDS LYING EAST OF BLUMBERG RD

SFWMD NUMBER	COUNTY LOCATION	LOCATION			HIGHEST AND BEST USE	PARCEL SIZE
		SEC	TWN	RNG		
SC100-002	PLM BCH	25	45	35	AG > CANE	2,720.00
SC100-058	HENDRY	2	44	34	AG > CANE	847.00
SC100-059	HENDRY	36	43	34	AG > CANE	1,514.00
SC100-060	PLM BCH	19	43	35	AG > CANE	2,564.00
SC100-068	PLM BCH	19	43	35	AG > CANE	143.00
SC100-069	PLM BCH	19	43	35	AG > CANE	27.00
SC100-070	PLM BCH	19	43	35	AG > CANE	120.00
SC100-071	PLM BCH	20	43	35	AG > CANE	36.00
SC100-072	PLM BCH	28	43	35	AG > CANE	0.45
SC100-073	PLM BCH	28	43	35	AG > CANE	224.00
SC100-074	PLM BCH	28	43	35	AG > CANE	40.00
SC100-075	PLM BCH	28	43	35	AG > CANE	15.00
SC100-076	PLM BCH	34	43	35	AG > CANE	13.00
SC100-077	PLM BCH	28	43	35	AG > CANE	79.00
SC100-078	PLM BCH	34	43	35	AG > CANE	19.00
SC100-079	PLM BCH	32	43	35	AG > CANE	3,188.00
SC100-080	PLM BCH	8	44	35	AG > CANE	5,824.00
SC100-081	PLM BCH	2	44	35	AG > CANE	69.00
SC100-082	PLM BCH	2	44	35	AG > CANE	55.00
SC100-083	PLM BCH	2	44	35	AG > CANE	7.00
SC100-084	PLM BCH	17	44	35	AG > CANE	3,409.00
SC100-085	PLM BCH	2	44	35	AG > CANE	22.00
SC100-086	PLM BCH	2	44	35	AG > CANE	13.00
SC100-088	PLM BCH	31	43	36	AG > CANE	0.96
SC100-089	PLM BCH	1	44	35	AG > CANE	3,086.00
SC100-090	PLM BCH	5	44	36	AG > CANE	54.00
SC100-091	PLM BCH	9	44	36	AG > CANE	1.38
SC100-092	PLM BCH	10	44	36	AG > CANE	30.00
SC100-093	PLM BCH	10	44	36	AG > CANE	8.00
SC100-094	PLM BCH	2	44	35	AG > CANE	4,791.00
SC100-097	PLM BCH	27	44	35	AG > CANE	1,614.00
SC100-098	PLM BCH	35	44	36	AG > CANE	367.00
SC100-099	PLM BCH	34	44	36	AG > CANE	1,585.00
SC100-139	PLM BCH	34	44	35	AG > CANE	864.00
SC100-140	PLM BCH	18	44	35	AG > CANE	2,442.00
SC100-141	PLM BCH	6	44	35	AG > CANE	878.00
SC100-142	HENDRY	13	44	34	AG > CANE	5,739.00
SC100-143	HENDRY	14	44	34	AG > CANE	552.00
					<b>TOTAL ACRES</b>	<b>42,960.79</b>
		<b>42,960.79</b>	<b>AC @</b>	<b>\$ 5,500</b>	<b>PER ACRE =</b>	<b>\$ 236,284,345</b>

*AGRICULTURAL LANDS*

*RECONCILIATION OF  
COMPARABLE SALES FOR LANDS  
LYING WEST OF BLUMBERG ROAD  
NORTH AND SOUTH OF SR 80*

**AGRICULTURAL LANDS - RECONCILIATION OF  
COMPARABLE SALES FOR LANDS LYING WEST OF  
BLUMBERG ROAD**

The evaluation of that component of the agricultural lands owned by USSC which lie west of Blumberg Road includes lands lying both to the north and south of SR 80/US 27. This would include lands lying in close proximity to the community of Moore Haven, as well as lands lying to the south of SR 80 where this roadway intersects with US 27. These lands traditionally have been known to possess soil characteristics more sandy in nature than lands lying to the east of Blumberg Road. Our inspection of this area revealed much of the land to be currently used for sugarcane production, however, a significant number of alternative uses were also found within this location.

Lands lying to the west of Blumberg Road with their sandy soil characteristics, although less productive for the growing of sugarcane, oftentimes offer opportunities for agricultural uses which are not typically found within muck lands. Examples include cattle ranching, citrus production, and some row crops. The evaluation of these lands has been accomplished by giving consideration to an expanded sample of comparable sales.

When analyzing the comparable sales upon which the various agricultural components of the USSC holdings have been developed, we have divided the sales into geographical areas comparable to those areas which have been defined for the subject parcels. The first of these areas, shown on the comparable land sales chart which follows, reviews comparable sales lying west of Blumberg Road. These comparable sales range in size from approximately 300± acres to in excess of 3,500± acres. The basic range of value indicated by these sales is from approximately \$3,500/gross acre to \$8,300/gross acre. The mean price indicated for sales lying west of Blumberg Road, spanning a time frame from 2004 to a current date, is \$5,656/gross acre.

Our analysis of comparable sales suggests that the agricultural market has been impacted to a far lesser degree than other markets, such as residential, by the boom and now dramatic decline of values experienced in the real estate market. The demand for agricultural lands, including lands used for alternative agricultural production (that is other than sugarcane), however, has in our opinion, been affected to some degree. Uses such as the growing of sod, or for the growing of ornamental trees, are largely connected to the residential real estate market which has experienced a significant downturn. This factor, therefore, suggests that a price less than the average price indicated by the comparable sales employed for the purpose of valuing lands lying west of Blumberg Road would be most appropriate.

**AGRICULTURAL LANDS - RECONCILIATION OF  
COMPARABLE SALES FOR LANDS LYING WEST OF  
BLUMBERG ROAD, CONT'D.**

Additionally, we have also recognized that lands located west of Blumberg Road make up a significant component which would require some time to market or utilize in an alternative fashion. Some discount is, therefore, considered to be appropriate, again suggesting that the mean or average price indicated by the comparable sales should be indicative of the upper range of value. Therefore, in the final analysis, when valuing lands lying westerly of Blumberg Road, we have estimated the current market value of these lands at \$5,000/gross acre.

$$30,695\pm \text{ acres @ } \$5,000/\text{Acre} = \$153,475,000$$

## VALUE SUMMARY FOR LANDS LYING WEST OF BLUMBERG RD

SFWMD NUMBER	COUNTY LOCATION	LOCATION			HIGHEST & BEST USE	PARCEL SIZE
		SEC	TWN	RNG		
SC100-042	HENDRY	24	43	33	CANE & AG ALT	2,715.90
SC100-043	HENDRY	13	43	33	CANE & AG ALT	943.02
SC100-044	HENDRY	36	43	33	CANE & AG ALT	8,520.00
SC100-057	HENDRY	26	43	34	CANE & AG ALT	305.00
SC100-144	HENDRY	27	44	34	CANE & AG ALT	260.00
SC100-145	HENDRY	10	45	34	CANE & AG ALT	5,597.00
SC100-146	HENDRY	26	43	32	CANE & AG ALT	3,640.00
SC100-151	HENDRY	22	43	32	CANE & AG ALT	736.09
SC100-152	HENDRY	21	43	32	CANE & AG ALT	1,075.00
SC100-156	HENDRY	4	43	32	CANE & AG ALT	1,880.00
SC100-159	GLADES	26	42	32	CANE & AG ALT	160.00
SC100-160	GLADES	28	42	33	CANE & AG ALT	476.00
SC100-161	GLADES	19	42	33	CANE & AG ALT	690.00
SC100-162	GLADES	19	42	33	CANE & AG ALT	1,629.00
SC100-163	GLADES	15	42	33	CANE & AG ALT	778.00
SC100-164	GLADES	25	42	33	CANE & AG ALT	211.00
SC100-165	GLADES	23	42	33	CANE & AG ALT	486.00
SC100-166	GLADES	23	42	33	CANE & AG ALT	371.00
SC100-167	GLADES	19	42	34	CANE & AG ALT	221.00
SC100-171	HENDRY	21	43	34	CANE & AG ALT	1.00
						30,695.01
		30,695.01	AC @	\$ 5,000	PER ACRE =	\$ 153,475,050

**AGRICULTURAL LANDS - RECONCILIATION OF  
COMPARABLE SALES FOR SUBJECT LANDS LYING  
EASTERLY AND NORTHERLY OF US 27, PAHOKEE AND  
NORTHEAST**

When valuing the lands lying in the Pahokee and Canal Point areas, as well as north and east of South Bay, we have recognized that muck depths and, in some cases, climatic conditions, are the most favorable found within the subject market area. Traditionally, these lands which lie at the southeast corner of Lake Okeechobee have been recognized by the market to be the most productive lands, having the greatest muck depth. Oftentimes, these lands, if located in very close proximity to Lake Okeechobee, enjoy other benefits caused by the warming waters of the lake which protect crops during the winter season.

Comparable sales located within this area were quite limited, but clearly indicated values which exceeded the price per acre typically paid for other lands within the subject market area. The basic range of value within this area is from approximately \$7,500/acre to \$9,700/acre. The sizes of these sales within this area range from approximately 157± acres to 1,215± acres. These sizes were notably smaller than the total holdings by USSC of all lands within this area which encompassed some 56,985± acres. The average price per acre for lands lying in the N.E/Pahokee area of the EAA is approximately \$9,000/gross acre.

As we have previously discussed, we believe that the local downturn in the real estate market has had some impact upon the value of lands which have a highest and best use related to continued sugarcane production, as well as alternative agricultural uses. Demand for alternative agricultural uses has been affected by the downturn in the market, however, we anticipate that once the real estate market recovers, these lands will once again be considered some of the most desirable lands used for alternative agricultural endeavors such as tree farming and sod and crop production.

**AGRICULTURAL LANDS - RECONCILIATION OF  
COMPARABLE SALES FOR SUBJECT LANDS LYING  
EASTERLY AND NORTHERLY OF US 27, PAHOKEE AND  
NORTHEAST, CONT'D.**

Recognizing that the real estate market has shown some decline since the date of most comparable sales suggests that the mean price indicated by comparable sales should be considered an upper range indication of value. Additionally, we have also recognized that the total USSC holdings, while not considered as a single sale, would most probably be sold in component parts which exceed the size of the comparable sales relied upon for the purpose of this evaluation. For these reasons, we have favored the lower range of value to reflect for current economic conditions and the larger size of the subject property, estimating the value of these lands at approximately \$7,500/gross acre.

56,985± Acres @ \$7,500/Acre = \$427,387,500.

## VALUE SUMMARY FOR LANDS LYING N US 27 PAHOKEE

SFWMD NUMBER	COUNTY LOCATION	LOCATION			HIGHEST & BEST USE	PARCEL SIZE
		SEC	TWN	RNG		
SC100-106	PLM BCH	19	44	37	CANE > ALT AG	237.00
SC100-107	PLM BCH	29	44	37	CANE > ALT AG	1,525.00
SC100-108	PLM BCH	7	43	37	CANE > ALT AG	1,112.00
SC100-109	PLM BCH	7	43	37	CANE > ALT AG	113.00
SC100-110	PLM BCH	3	43	37	CANE > ALT AG	4,234.00
SC100-111	PLM BCH	13	43	37	CANE > ALT AG	2,378.00
SC100-112	PLM BCH	22	43	37	CANE > ALT AG	1,858.00
SC100-113	PLM BCH	24	43	37	CANE > ALT AG	2,506.00
SC100-114	PLM BCH	34	43	37	CANE > ALT AG	1,107.00
SC100-115	PLM BCH	36	43	37	CANE > ALT AG	3,340.00
SC100-116	PLM BCH	26	42	37	CANE > ALT AG	4,480.00
SC100-117	PLM BCH	21	42	37	CANE > ALT AG	3,670.00
SC100-118	PLM BCH	23	42	37	CANE > ALT AG	1,958.00
SC100-119	PLM BCH	15	42	37	CANE > ALT AG	622.00
SC100-120	PLM BCH	14	42	37	CANE > ALT AG	623.00
SC100-121	PLM BCH	9	42	37	CANE > ALT AG	353.00
SC100-122	PLM BCH	2	42	37	CANE > ALT AG	832.00
SC100-123	PLM BCH	34	41	37	CANE > ALT AG	602.00
SC100-126	PLM BCH	4	42	37	CANE > ALT AG	12.00
SC100-127	PLM BCH	4	42	37	CANE > ALT AG	2.90
SC100-128	PLM BCH	33	41	37	CANE > ALT AG	0.49
SC100-129	PLM BCH	34	41	37	CANE > ALT AG	0.40
SC100-130	PLM BCH	23	41	37	CANE > ALT AG	1,491.38
SC100-131	PLM BCH	24	41	37	CANE > ALT AG	12,682.21
SC100-132	PLM BCH	10	41	37	CANE > ALT AG	4,341.00
SC100-133	PLM BCH	10	41	37	CANE > ALT AG	452.00
SC100-134	PLM BCH	1	42	38		1,000.70
SC100-136	PLM BCH	31	42	39	CANE > ALT AG	1,961.00
SC100-137	PLM BCH	4	43	39	CANE > ALT AG	781.00
SC100-138	PLM BCH	24	43	38	CANE > ALT AG	2,710.00
					TOTAL ACRES	56,985.08
		56,985.08	AC @	\$ 7,500	PER ACRE =	\$ 427,388,100

## CERTIFICATION

I certify that, to the best of my knowledge and belief . . .

- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- my engagement in this assignment was not contingent upon developing or reporting pre-determined results.
- my compensation for completing this assignment is not contingent on the development or reporting of a pre-determined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- my analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice and the Code of Professional Ethics of the Appraisal Institute*.
- I have made a personal inspection of the property that is the subject of this report.
- Significant real property appraisal assistance was provided by John D. Osgood, State-Certified Appraiser RZ1289, who participated in the development of this appraisal throughout the entire process. Additional assistance was provided by William C. Bennett, MAI and Clifford M. Bowen, Jr., SRA, IFAS in the development of value estimates pertaining to the citrus groves.
- I certify that, to the best of my knowledge and belief, the reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of professional Appraisal Practice of the Appraisal Institute.
- 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.
- as of the date of this report, I have completed the requirements under the continuing education program of the Appraisal Institute.

  
E. LARRY SEWELL, MAI  
State-Certified General Real Estate Appraiser RZ501

  
Date

**ADDENDA**

**COMPARABLE CITRUS  
GROVE SALES**

## SUMMARY OF CITRUS GROVE AND COMPARABLE CITRUS SALES

GROVE/ SALE #	GROSS SALE PRICE ADJUSTED*	SIZE TOTAL GROSS ACRES	CURRENT GROVE ACES	PRICE / CURRENT GROVE AC	PRODUCTION BOX / AC	ESTIMATED INCOME / AC	ESTIMATED OAR
DEVILS GARDEN	NA	5,439	3,306	NA	393	\$1,376	
DUNWODY ALCOMA	NA	9,441	3,418	NA	285	\$741	
SOUTHERN GROVE	NA	17,723	9,773	NA	177	NA	
D-1	\$4,000,000	395	300	\$ 13,333	432	\$1,570	11.78%
D-2	\$4,050,000	500	409	\$ 9,902	274	\$644	6.51%
D-3	\$18,500,000	1,242	870	\$ 21,264	470	\$2,367	11.13%
D-4	\$10,600,000	1,922	1,623	\$ 6,531	150 - 175	NA	NA
D-5	\$4,200,000	972	780	\$ 5,384	NA	NA	Na
H-40	\$4,400,000	1,046	637	\$ 6,907	244	NA	NA
H-41	\$37,085,000	3,444	2,392	\$ 15,504	345	\$1,266	8.16%
H-42	\$27,500,000	2,156	1,506	\$ 18,260	400	\$1,636	8.96%
Har-20	\$5,133,000	1,638	354	\$ 14,500	250	NA	NA
High-10	\$12,600,000	909	803	\$ 15,691	451	\$1,658	10.56%
High -11	\$42,420,000	3,624	3,200	\$ 13,256	109	NA	NA
* Gross Sales Price Less Any Value of Crop or Excess Lands							

**COMPARABLE VACANT LAND SALE NO. D-1 (599/2476) [B-1]**

**LOCATION:** The site is located approximately 10.75 miles southerly of SR 70, along the Highlands County –DeSoto County line.

**BRIEF LEGAL DESCRIPTION:** A lengthy legal description of a parcel of land located in Sections 25 and 36, Twp. 39S, Rge. 27E, DeSoto County, FL

**GRANTOR:** 3 N Groves, LLP

**GRANTEE:** 4 N 1 Grove, LLC

**LAND SIZE:** 395± Acres; 300± Grove Acres

**PROPERTY TYPE:** Citrus grove.

**O.R. BOOK/PAGE:** 599/2476

**ZONING/LAND USE:** "Agricultural"

**PROPERTY DATA:** The grove consists of approximately 300 grove acres. The balance of the land is wetlands, roads, ditches and retention, and is improved with micro-sprinkler irrigation with water provided from wells.

**SALES PRICE:** \$4,279,200; \$4,000,000 (adjusted for value of crop)

**PRICE/UNIT:** \$10,127/gross acre; \$13,333/grove acre

**TERMS:** Cash to the seller.

**VERIFICATION:** By William C. Bennett, MAI, with Mr. Ben Norris (representative of grantor) and with Mr. Nick Perez (representative of grantee).

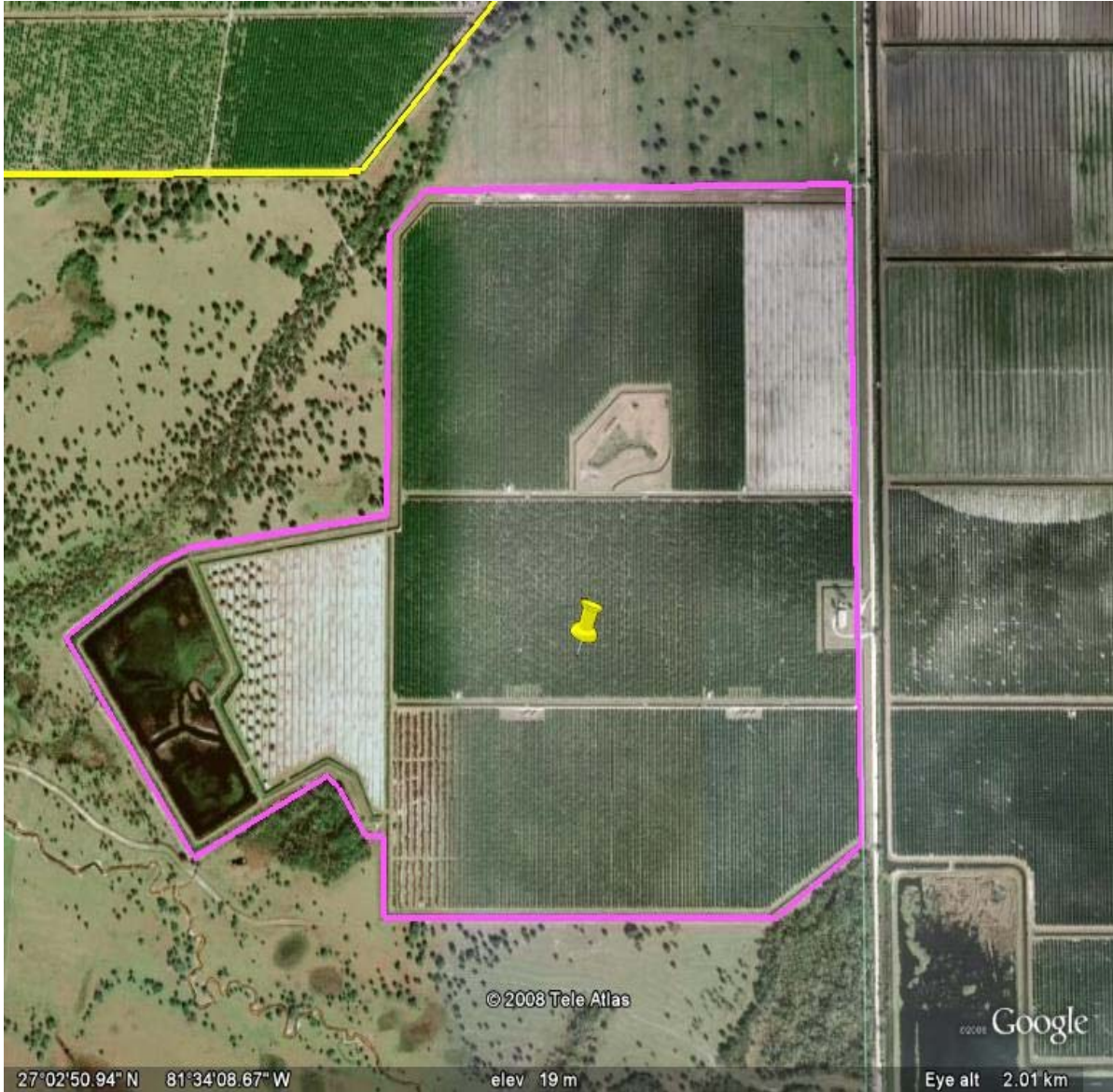
**CONDITIONS OF SALE:** Arm's length transaction.

**DATE (OF TRANSACTION):** July 17, 2007

**PRESENT USE:** Citrus grove.

**HIGHEST AND BEST USE:** Citrus grove.

**COMPARABLE VACANT LAND SALE NO. D-1 (599/2476) [B-1]**



**COMPARABLE VACANT LAND SALE NO. D-3**  
**(200714012924) [B-4]**

**LOCATION:** The site is located along the northerly right-of-way of SR 70, lying approximately 2 miles westerly of the DeSoto-Highlands County line.

**BRIEF LEGAL DESCRIPTION:** A lengthy legal description of a parcel of land located in Sections 33 and 34, Twp. 37S, Rge. 27E, DeSoto County, FL

**GRANTOR:** Premiere Partners III, Ltd. Partnership

**GRANTEE:** Premiere Agricultural Properties, LLC

**LAND SIZE:** 1,241.57± Acres

**PROPERTY TYPE:** Citrus grove.

**O.R. BOOK/PAGE:** 200714012924

**ZONING/LAND USE:** "Agricultural"

**PROPERTY DATA:** The grove contains approximately 870 grove acres. The grove is comprised of 781 acres of Valencias and 89 acres of pineapples. The irrigation system is micro-sprinkler with water provided from deep wells. The grove produces 470 boxes per grove acre.

**SALES PRICE:** \$18,500,000.

**PRICE/UNIT:** \$14,900/gross acre; \$21,264/grove acre.

**TERMS:** Cash to the seller.

**VERIFICATION:** By Mr. Cliff Bowen, SRA with Mr. Joe Bubon (representative of grantor)

**CONDITIONS OF SALE:** Arm's length transaction.

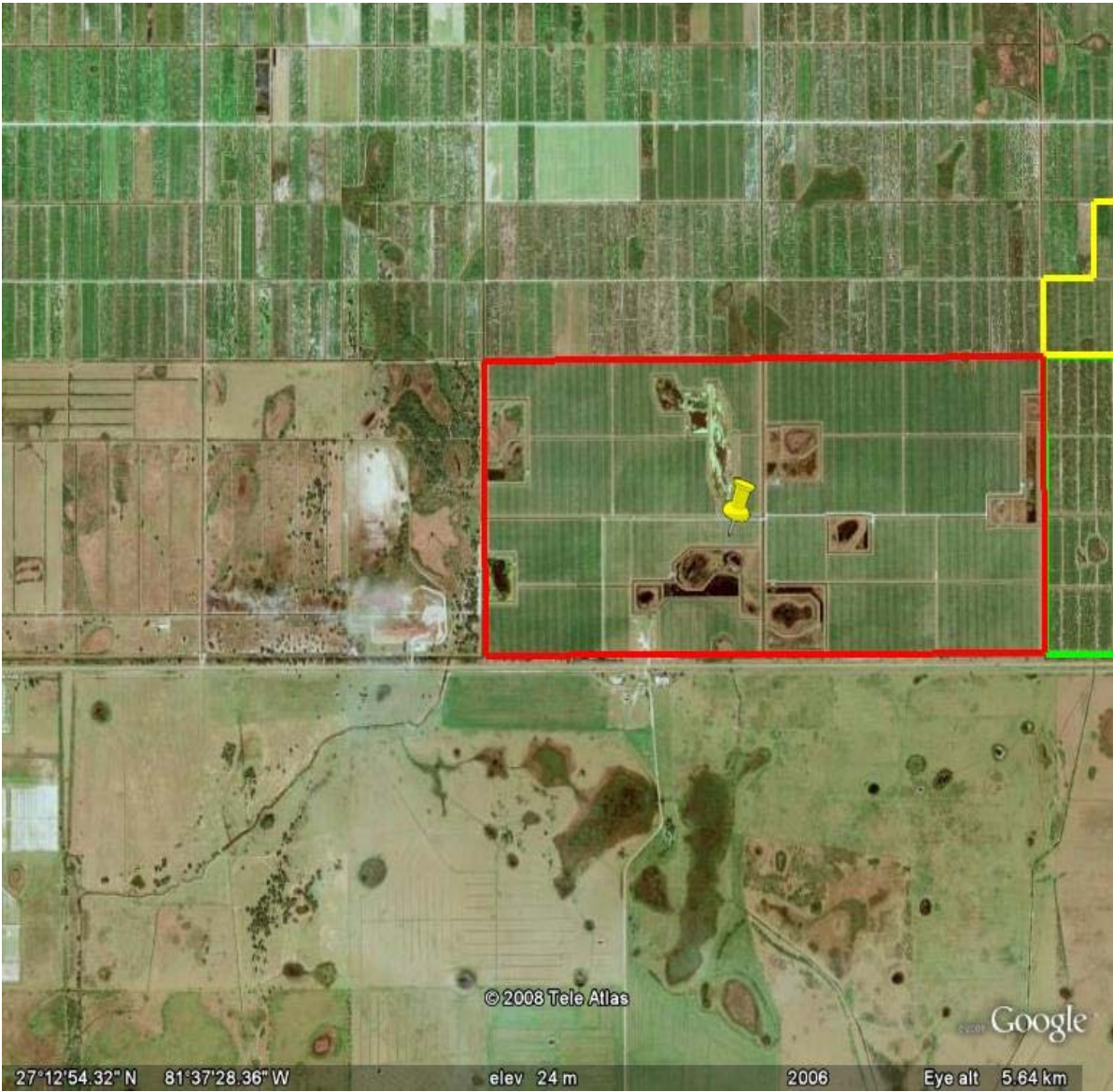
**DATE (OF TRANSACTION):** December 19, 2007

**PRESENT USE:** Citrus grove.

**HIGHEST AND BEST USE:** Citrus grove.

**COMPARABLE VACANT LAND SALE NO. D-3 (200714012924)**

**[B-4]**



**COMPARABLE VACANT LAND SALE NO. H-41 773/834 (Hendry County)**  
**200714009067 (DeSoto County) [B-6]**

**LOCATION:** The sale consists of 4 non-contiguous citrus groves, three of which are located in DeSoto County and one in Hendry County.

**BRIEF LEGAL DESCRIPTION:** A lengthy legal description of a parcel of land located in Sections 3, 4, 9, 10, 15, 16, 17, 22 and 27, Twp. 46S, Rge. 33E, Hendry County and Section 35, Twp. 37S, Rge. 27E, and Section 33, Twp. 38S, Rge. 25E, and Sections 26, 35 and 36, Twp. 39S, Rge. 25E, DeSoto County, FL

**GRANTOR:** Sunshine Agriculture, Inc.

**GRANTEE:** Premier Citrus, LLC

**LAND SIZE:** 3,444± Acres; 2,392± Grove Acres

**PROPERTY TYPE:** Citrus grove.

**O.R. BOOK/PAGE:** 773/834 (Hendry County)  
Instrument 200714009067 (DeSoto County)

**ZONING/LAND USE:** "Agricultural" (Hendry and DeSoto Counties)

**PROPERTY DATA:** The site contains 904 acres of early/mid and 1,488 acres of Valencias. The grove was bedded and had micro-sprinkler irrigation with water provided from wells and supplemented by surface water from canals in the Sugar Bell Grove.

**SALES PRICE:** \$38,500,000.; \$37,085,000 (adjusted for 262 acres of vacant plantable land and non-economic Mercotts.)

**PRICE/UNIT:** \$11,179/gross acre; \$15,504/grove acre  
(\$1,415,000 allocated for 262 acres of vacant plantable land, and 88 acres of poor-producing Mercotts)

**TERMS:** Cash to the seller.

**VERIFICATION:** By William C. Bennett, MAI with Mr. Ed Lassiter (property manager) and by Ms. Julie Young, MAI with Kevin Bynum (representative of grantee).

**CONDITIONS OF SALE:** Arm's length transaction.

**DATE (OF TRANSACTION):** August 30, 2007

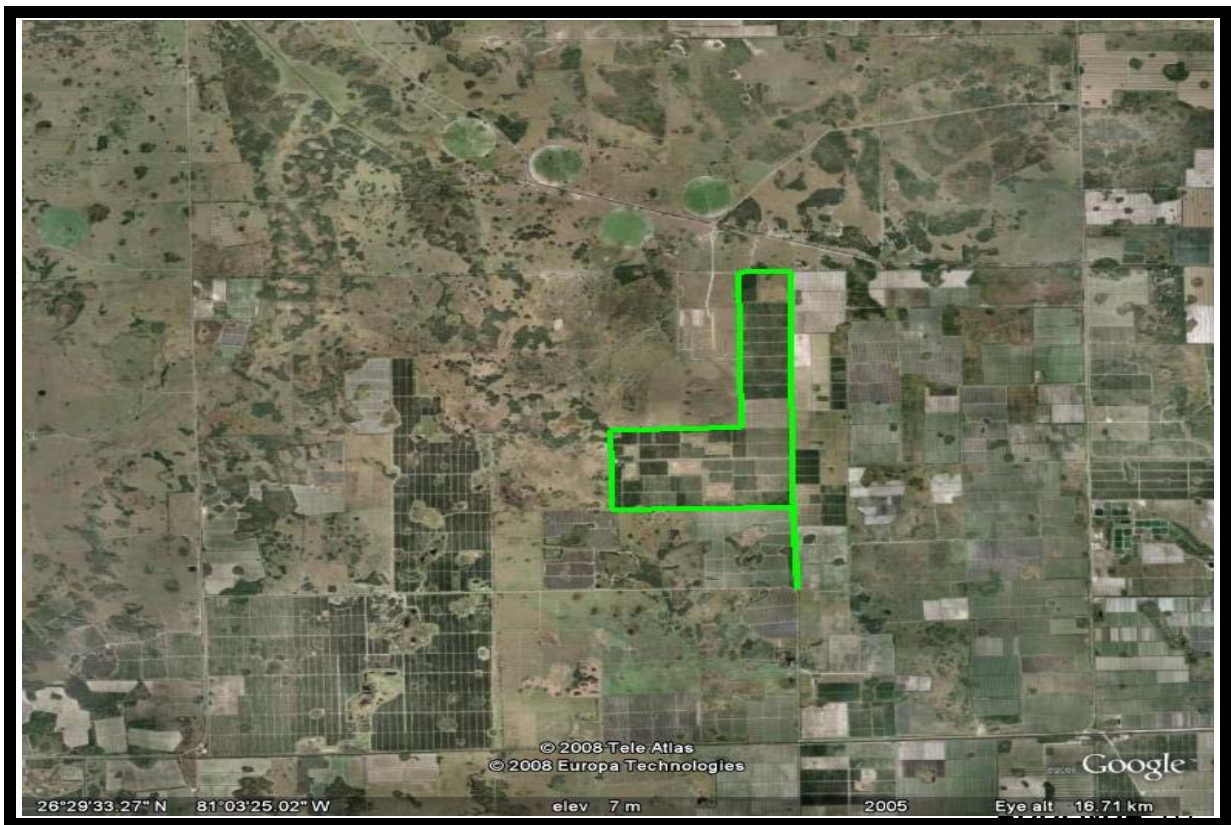
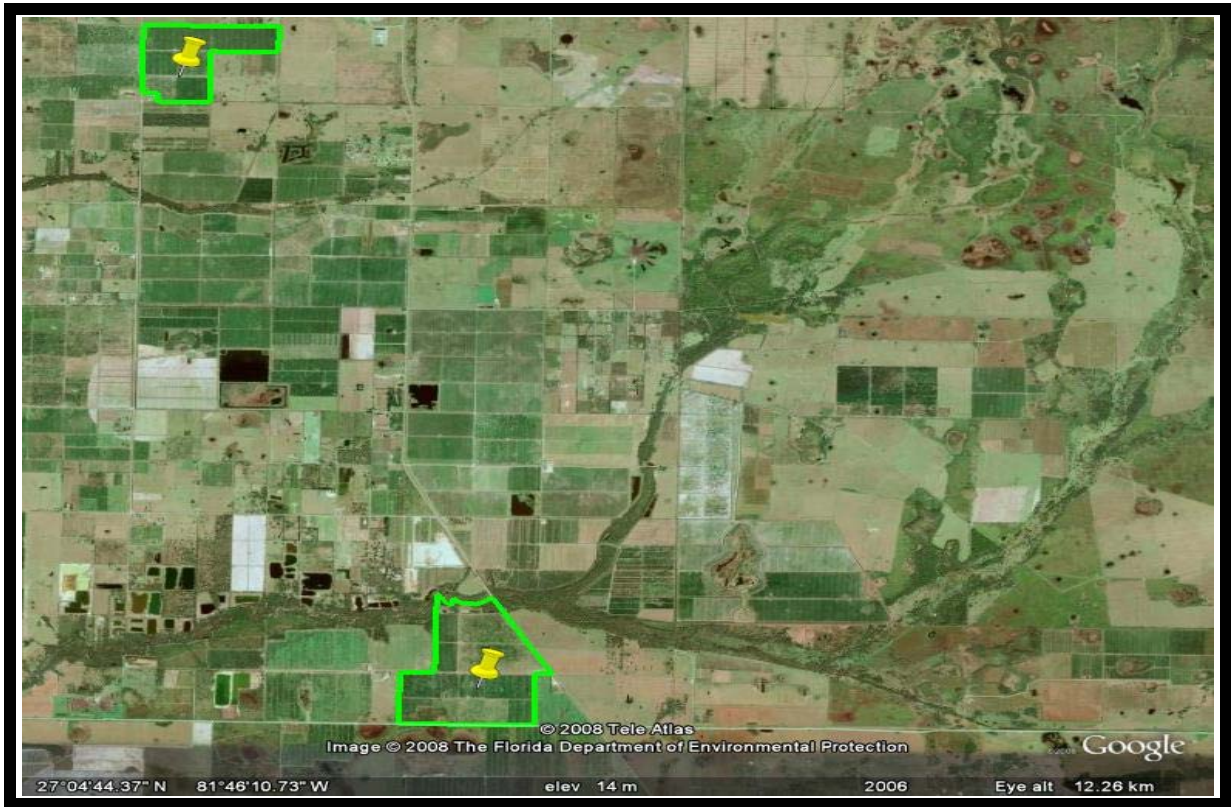
**PRESENT USE:** Citrus grove.

**HIGHEST AND BEST USE:** Citrus grove.

**COMPARABLE VACANT LAND SALE NO. H-41 773/834 (Hendry County)  
200714009067 (DeSoto County) [B-6]**



**COMPARABLE VACANT LAND SALE NO. H-41**



**COMPARABLE VACANT LAND SALE NO. H-42 (779/1818) [B-5]**

**LOCATION:** The site is located along the southerly right-of-way of SR 80, lying approximately 8 miles easterly of SR 29.

**BRIEF LEGAL DESCRIPTION:** A lengthy legal description of a parcel of land located in Sections 2, 11, 13, 14, 15, 22, 23 and 24, Twp. 43S, Rge. 30E, and Sections 18 and 19, Twp. 43S, Rge. 31E, Hendry County, FL

**GRANTOR:** Premiere Partners III, Limited Partnership

**GRANTEE:** Premiere Agricultural Properties, LLC

**LAND SIZE:** 2,156.19± Gross Acres; 1,506± Grove Acres

**PROPERTY TYPE:** Citrus grove.

**O.R. BOOK/PAGE:** 779/1818

**ZONING/LAND USE:** "Agricultural"

**PROPERTY DATA:** The grove is comprised of 1,009 acres of Valencias, 290 acres of Hamlins, and 207 acres of Pineapples. The irrigation system is micro-sprinkler, with water provided from canals of the Caloosahatchee River. The grove produces 400 boxes per grove acre.

**SALES PRICE:** \$27,500,000.

**PRICE/UNIT:** \$12,754/Gross Acre; \$18,260/Grove Acre

**TERMS:** Cash to the seller.

**VERIFICATION:** By Mr. Cliff Bowen, SRA with Mr. Joe Bubon (representative of grantor).

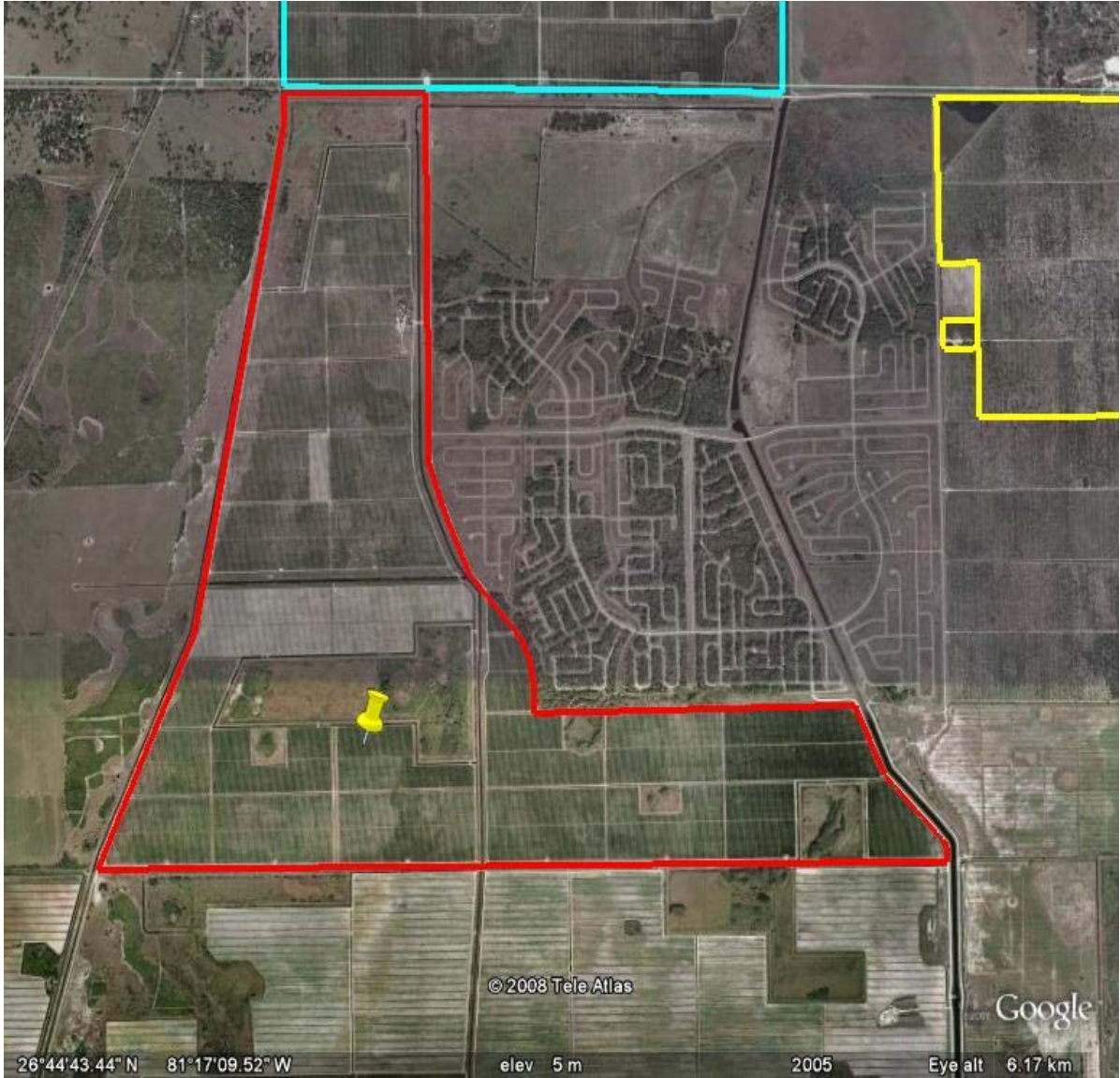
**CONDITIONS OF SALE:** Arm's length transaction.

**DATE (OF TRANSACTION):** December 19, 2007

**PRESENT USE:** Citrus grove.

**HIGHEST AND BEST USE:** Citrus grove.

**COMPARABLE VACANT LAND SALE NO. H-42 (779/1818) [B-5]**



**COMPARABLE VACANT LAND SALE NO. HIGH-10**  
**(2120/168, 170, 204 & 207) [B-3]**

**LOCATION:** The sale consists of three non-contiguous groves. Two of the groves are located on the south side of Hicks Road, lying approximately ½ mile easterly of Bishop Road. The largest block is located at the eastern end of Boney Road, lying approximately 1 mile easterly of Scrubs Pen Road.

**BRIEF LEGAL DESCRIPTION:** A lengthy legal description of a parcel of land located in Section 5, Twp. 35S, Rge. 31E, and Sections 20, 21, 29 and 32, Twp. 34S, Rge. 31E, Highlands County, FL

**GRANTOR:** Carl M. Wilburn, et al

**GRANTEE:** Premier Citrus

**LAND SIZE:** 908.92± Acres; 803± Grove Acres

**PROPERTY TYPE:** Citrus grove

**O.R. BOOK/PAGE:** 2120/168, 170, 204 & 207

**ZONING/LAND USE:** "Agricultural"

**PROPERTY DATA:** The sale property consists of three non-contiguous blocks of citrus grove. The grove contains a total of 803± grove acres, and consists of 70% Hamlins and 30% Valencias. The grove produces 451 boxes per grove acre.

**SALES PRICE:** \$14,400,000;  
\$12,600,000 (after adjustment for crop value)

**PRICE/UNIT:** \$13,863/Gross Acre; \$15,691/Grove Acre

**TERMS:** Cash to the seller

**VERIFICATION:** By William C. Bennett, MAI with Mr. Randy Pearce (selling agent) and by Julie Young, MAI, with Mr. Kevin Bynum (representative of grantee).

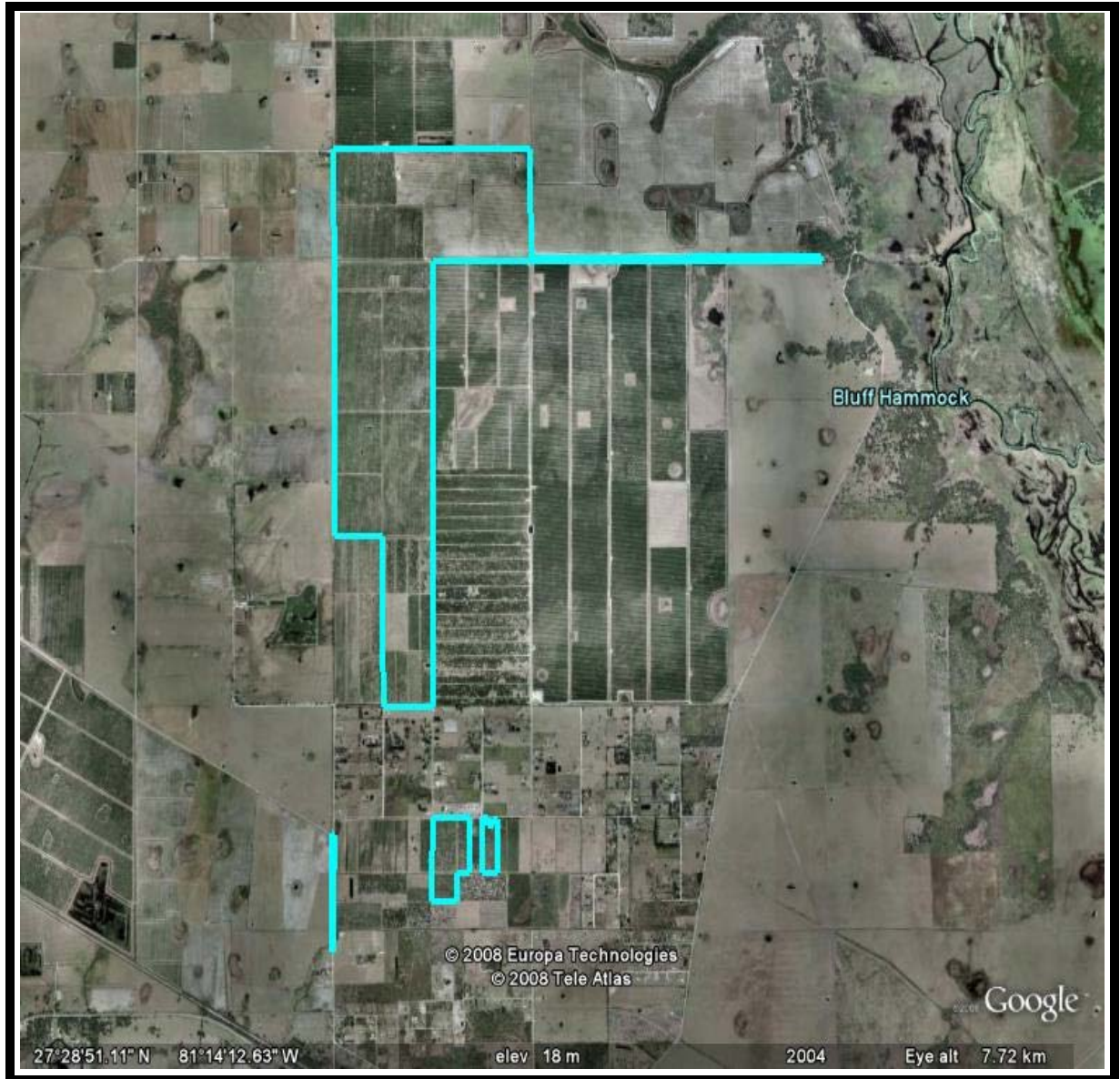
**CONDITIONS OF SALE:** Arm's length transaction

**DATE (OF TRANSACTION):** January 16, 2008

**PRESENT USE:** Citrus grove

**HIGHEST AND BEST USE:** Citrus grove

**COMPARABLE VACANT LAND SALE NO. HIGH-10**  
**(2120/168, 170, 204 & 207) [B-3]**



**COMPARABLE VACANT LAND SALE NO. D-2 (200714012829)**

**[B-2]**

**LOCATION:** The sale consists of multiple grove parcels located within the Joshua Grove which is located northerly of Highway 70 and west of the Highlands County-DeSoto County line.

**BRIEF LEGAL DESCRIPTION:** A lengthy legal description of multiple parcels of land located in Sections 1, 25 and 26, Twp. 37S, Rge. 27E, DeSoto County, FL

**GRANTOR:** Rutland 2002

**GRANTEE:** Orange-CO, LP

**LAND SIZE:** 500± Acres; 409± Grove Acres

**PROPERTY TYPE:** Citrus grove.

**O.R. BOOK/PAGE:** 200714012829

**ZONING/LAND USE:** "Agricultural" (DeSoto County)

**PROPERTY DATA:** The sale property consists of five blocks of grove, ranging in size from 10 to 190 acres. There are approximately 409 grove acres. The grove has micro-sprinkler irrigation, and produces 274 boxes per grove acre.

**SALES PRICE:** \$4,700,000; \$4,050,000 (adjusted for value of crop)

**PRICE/UNIT:** \$8,100/gross acre; \$9,902/grove acre

**TERMS:** Cash to the seller.

**VERIFICATION:** By William C. Bennett, MAI with Mr. Jim See (representative of grantor).

**CONDITIONS OF SALE:** Arm's length transaction.

**DATE (OF TRANSACTION):** December 17, 2007

**PRESENT USE:** Citrus grove.

**HIGHEST AND BEST USE:** Citrus grove.

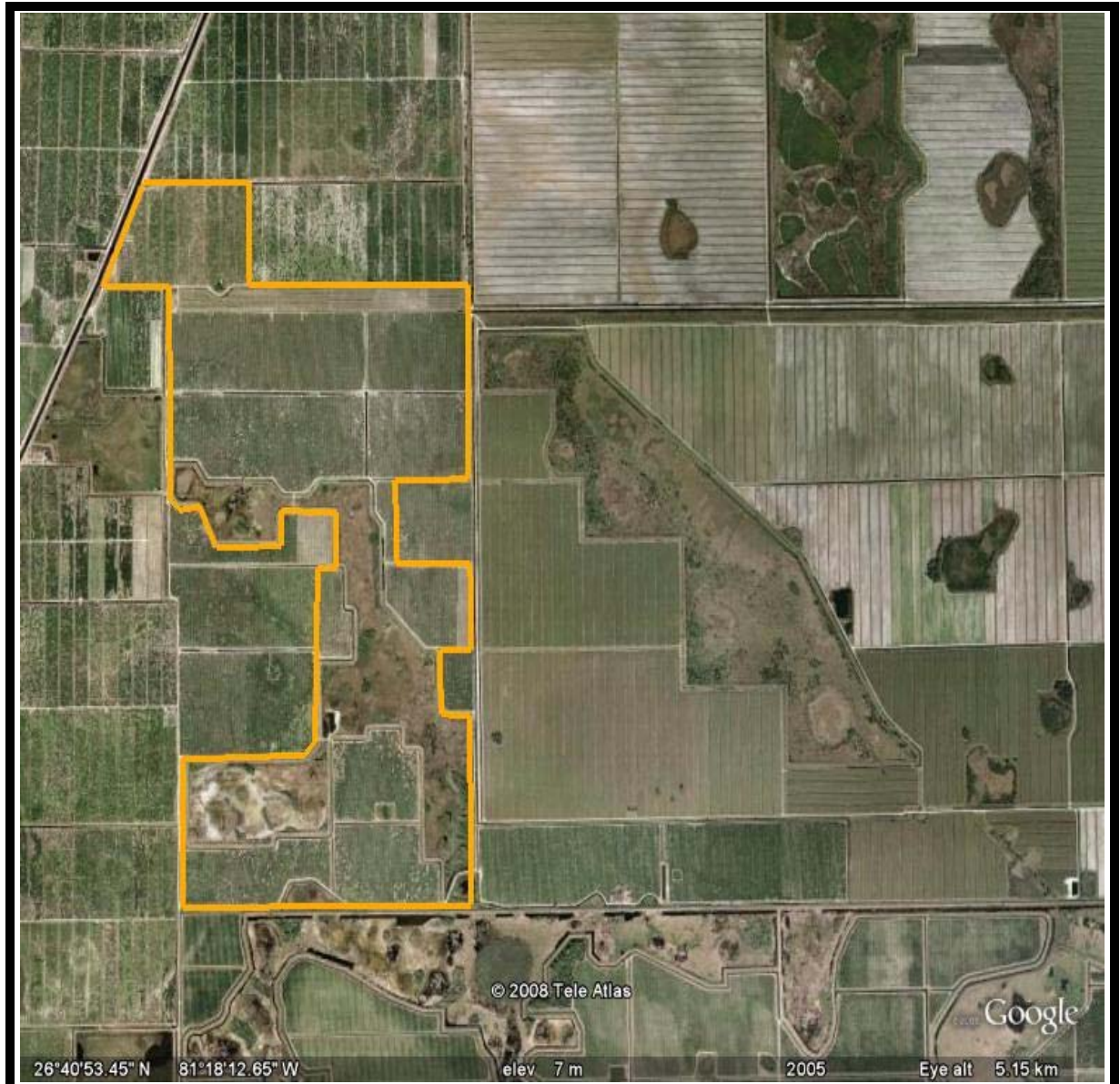
**COMPARABLE VACANT LAND SALE NO. D-2 (200714012829) [B-2]**



**COMPARABLE VACANT LAND SALE NO. H-40 (786/1071) [B-9]**

<b><u>LOCATION:</u></b>	The site is located approximately 5 miles southerly of SR 80, and approximately 5 miles westerly of CR 833, lying along Sears Road.
<b><u>BRIEF LEGAL DESCRIPTION:</u></b>	A lengthy legal description of a parcel of land located in Sections 3, 4, 9 and 10, Twp. 44S, Rge. 30E, and Sections 33 and 34, Twp. 43S, Rge. 30E, Hendry County, FL
<b><u>GRANTOR:</u></b>	Grove Property One, LLC, et al
<b><u>GRANTEE:</u></b>	R/S Corkscrew Partners, LLC
<b><u>LAND SIZE:</u></b>	1,046± Acres; 637± Grove Acres
<b><u>PROPERTY TYPE:</u></b>	Citrus grove, retention areas, wetlands
<b><u>O.R. BOOK/PAGE:</u></b>	786/1071
<b><u>ZONING/LAND USE:</u></b>	"Agricultural"
<b><u>PROPERTY DATA:</u></b>	The site has 637 acres of grove land which consists of White grapefruit, early-mid Valencias, as well as Red grapefruit. The grove is improved with micro-jet irrigation using surface water from canals.
<b><u>SALES PRICE:</u></b>	\$5,000,000 (\$600,000-value of fruit crop); \$4,400,000 (grove value)
<b><u>PRICE/UNIT:</u></b>	\$4,206/Gross Acre; \$6,907/Grove Acre
<b><u>TERMS:</u></b>	Cash to the seller
<b><u>VERIFICATION:</u></b>	By William C. Bennett, MAI with Mr. Brian Beasley (listing agent) and Mr. Cliff Bowen, SRA with Franz Rosinus (representative of grantee).
<b><u>CONDITIONS OF SALE:</u></b>	Arm's length transaction
<b><u>DATE (OF TRANSACTION):</u></b>	May 1, 2008
<b><u>PRESENT USE:</u></b>	Citrus grove
<b><u>HIGHEST AND BEST USE:</u></b>	Citrus grove

**COMPARABLE VACANT LAND SALE NO. H-40 (786/1071) [B-9]**



**COMPARABLE VACANT LAND SALE NO. HAR-20 (727-43) [B-8]**

**LOCATION:** The site is located along the westerly right-of-way of 10 Mile Grade, lying approximately 1.25 miles southerly of Crewsville Road.

**BRIEF LEGAL DESCRIPTION:** A lengthy legal description of a parcel of land located in Sections 1, 2, 10, 11 and 12, Twp. 36S, Rge. 26E, Hardee County, FL.

**GRANTOR:** Premiere Partners IV, LP

**GRANTEE:** Las Lomas Holdings, Inc.

**LAND SIZE:** 1,638± Gross Acres; 354± Grove Acres

**PROPERTY TYPE:** Citrus grove, with balance in bedded grove land.

**O.R. BOOK/PAGE:** 727-43

**ZONING/LAND USE:** "Agricultural"

**PROPERTY DATA:** 354± acres of the property was planted in 6-year-old citrus grove, with 816± acres in bedded grove land that was pushed for canker, with balance in retention, roads, ditches and wetlands. The grove produces 250 boxes per grove acre.

**SALES PRICE:** \$9,575,000; \$5,133,000 allocated to grove; \$4,442,000 allocated to vacant land.

**PRICE/UNIT:** \$5,845/Gross Acre; \$14,500/Grove Acre

**TERMS:** Cash to the seller.

**VERIFICATION:** By William C. Bennett, MAI with Mr. Jimmy Scarborough, State-Certified General Appraiser, and with Carlos Bailey (representative of grantee).

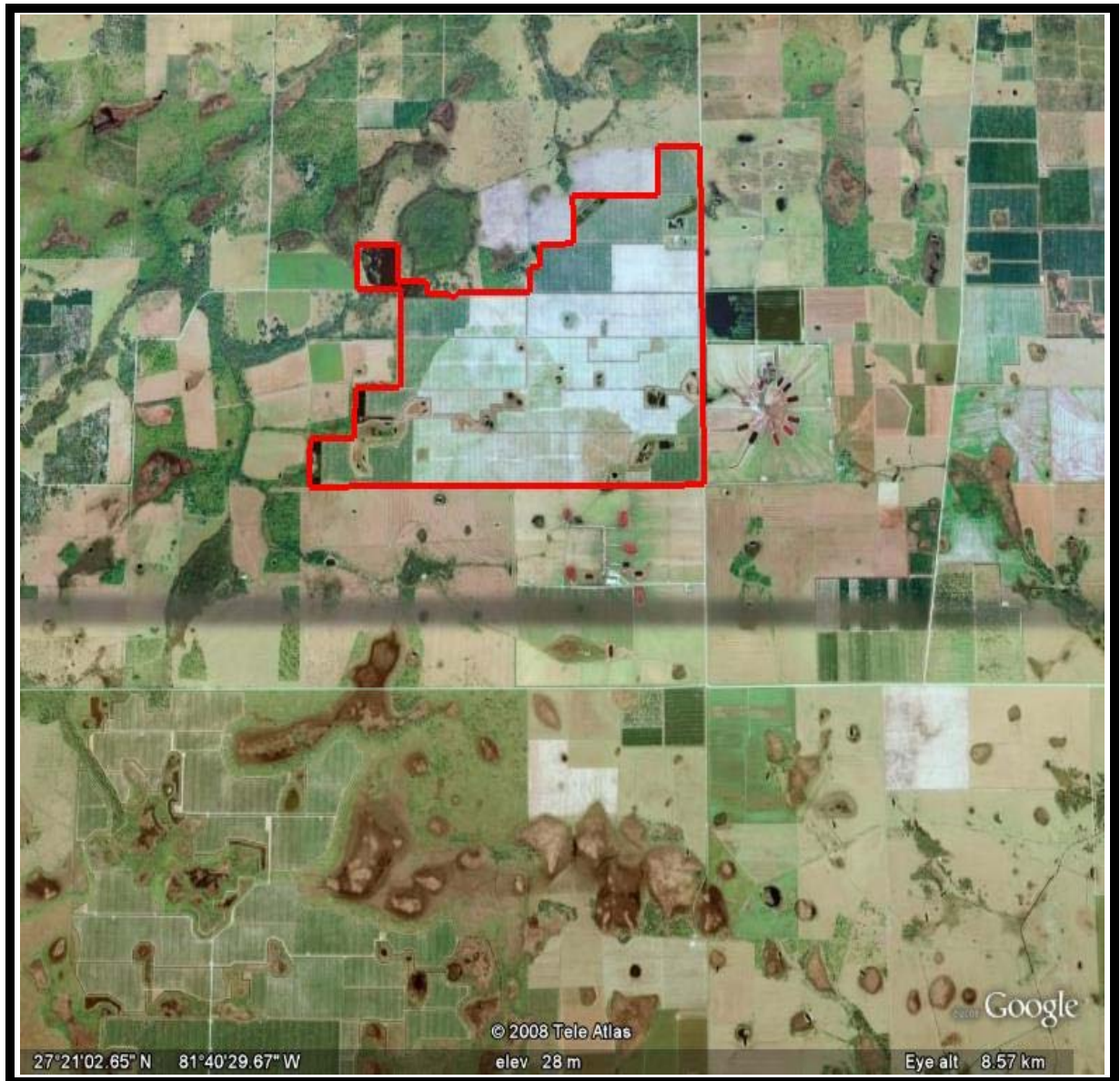
**CONDITIONS OF SALE:** Arm's length transaction.

**DATE (OF TRANSACTION):** June 11, 2007

**PRESENT USE:** Citrus grove.

**HIGHEST AND BEST USE:** Citrus grove.

**COMPARABLE VACANT LAND SALE NO. HAR-20 (727-43)  
[B-8]**



**COMPARABLE VACANT LAND SALE NO. D-4 (#2007001046)**

**[B-10]**

**LOCATION:** The sale property consists of three non-contiguous groves located in southeastern DeSoto County, lying approximately 8 miles southerly of SR 70, near the Highlands-DeSoto County line.

**BRIEF LEGAL DESCRIPTION:** A lengthy legal description of a parcel of land located in Sections 9-16, and 23-26, Twp. 39S, Rge. 27E, DeSoto County, FL

**GRANTOR:** Spanish Trail Land and Cattle Company, LLC

**GRANTEE:** Premier Citrus

**LAND SIZE:** 1,922.15± Acres; 1,623± Grove Acres

**PROPERTY TYPE:** Citrus grove.

**O.R. BOOK/PAGE:** Instrument #2007001046

**ZONING/LAND USE:** "Agricultural"

**PROPERTY DATA:** The groves contain 1,623 grove acres and 917 acres of Hamlins and 706± acres of Valencias. The groves had micro-sprinkler irrigation with water provided from wells, and produces approximately 150-175 boxes per grove acre.

**SALES PRICE:** \$12,000,000; \$10,600,000 (adjusted for value of fruit crop)

**PRICE/UNIT:** \$5,515/gross acre; \$6,531/grove acre

**TERMS:** Cash to the seller.

**VERIFICATION:** By Julie Young, MAI with Mr. Kevin Bynum (representative of grantee)

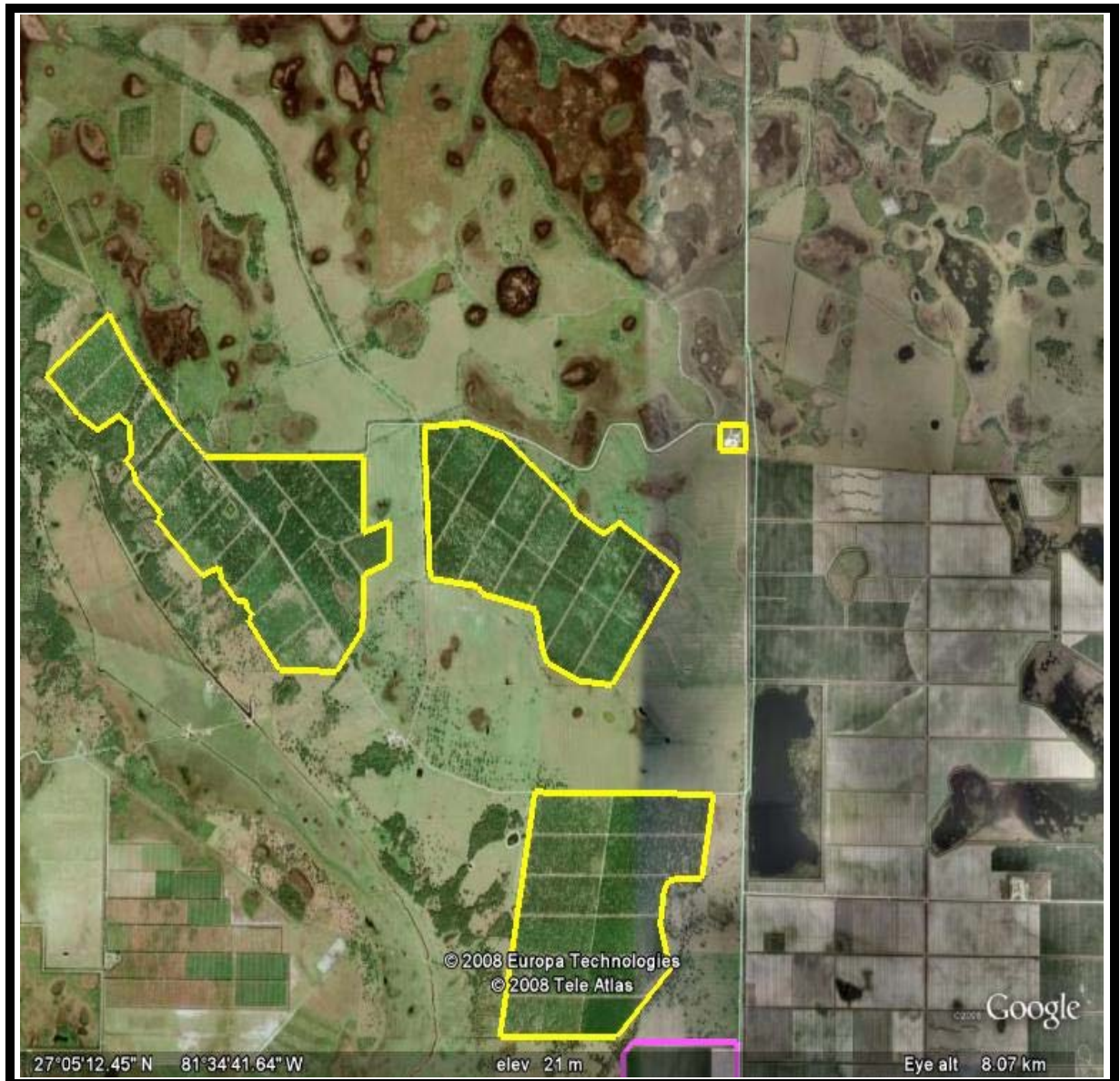
**CONDITIONS OF SALE:** Arm's length transaction.

**DATE (OF TRANSACTION):** January 31, 2007

**PRESENT USE:** Citrus grove.

**HIGHEST AND BEST USE:** Citrus grove.

**COMPARABLE VACANT LAND SALE NO. D-4 (#2007001046)**  
**[B-10]**



**COMPARABLE VACANT LAND SALE NO. HIGH-11 (2035-1863) [B-7]**

**LOCATION:** The site is located along both sides of SR 70, lying approximately 6.5 miles easterly of US Highway 27.

**BRIEF LEGAL DESCRIPTION:** A lengthy legal description of a parcel of land located in Sections 26, 27, 28, 33, 34 and 35, Twp. 37S, Rge. 31E and Sections 2, 3 and 10, Twp. 38S, Rge. 31E, Highlands County, FL.

**GRANTOR:** Sun Ray Groves, LLC

**GRANTEE:** Premier Citrus, LLC

**LAND SIZE:** 3,624± Gross Acres; 3,200± Grove Acres

**PROPERTY TYPE:** Citrus grove

**O.R. BOOK/PAGE:** 2035-1863

**ZONING/LAND USE:** "Agricultural"

**PROPERTY DATA:** The grove consists of 60% Earlyls and 40% Valencias. The trees range in age from new-set to mature, with the majority of the grove being young re-sets to approximately 8 years old. The grove produces 109 boxes per grove acre.

**SALES PRICE:** \$43,200,000;  
\$42,420,000 (adjusted for value of fruit crop)

**PRICE/UNIT:** \$11,705/Gross Acre; \$13,256/Grove Acre

**TERMS:** Cash to the seller.

**VERIFICATION:** By Julie Young, MAI, with Mr. Kevin Bynum (representative of grantee).

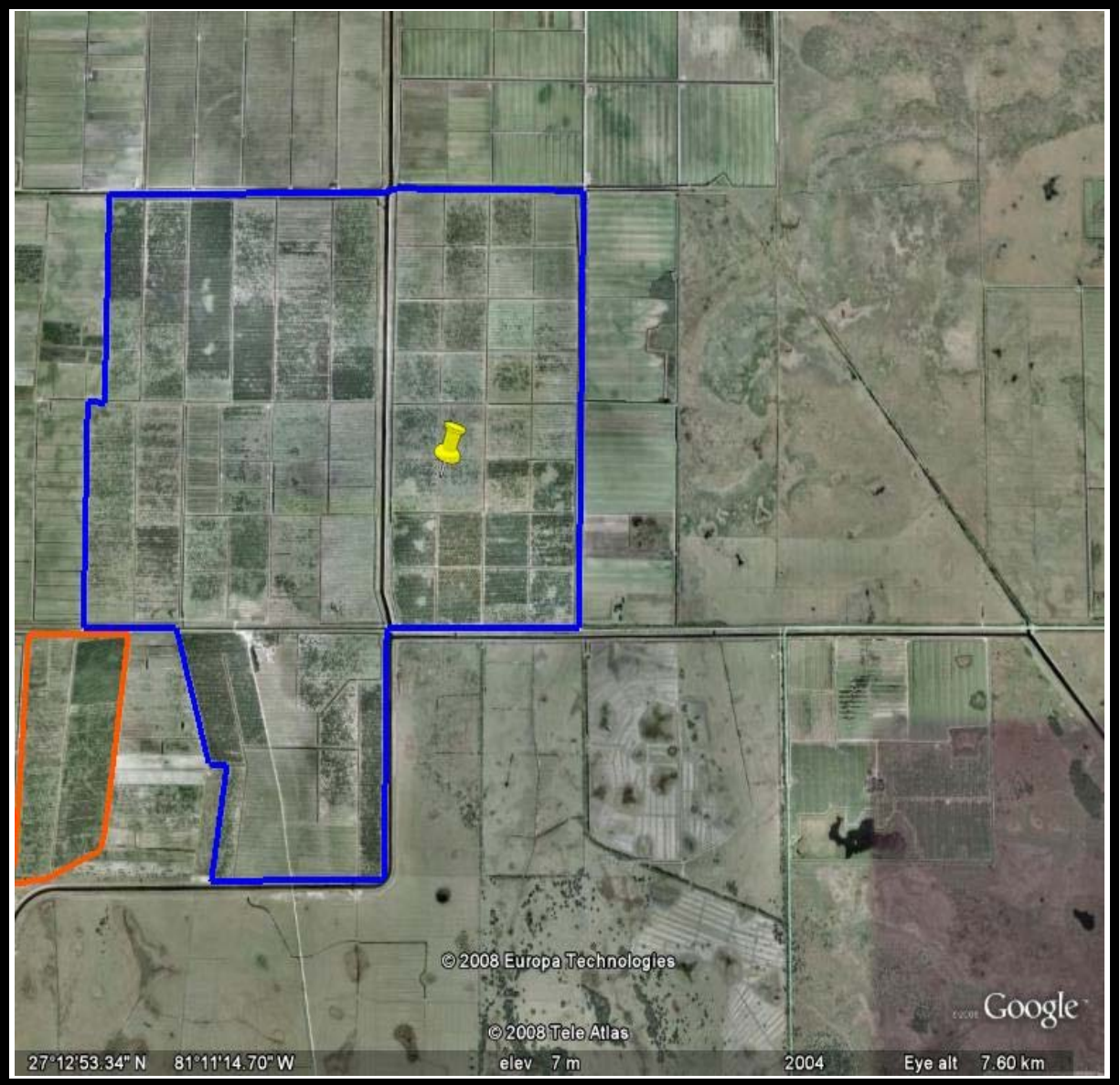
**CONDITIONS OF SALE:** Arm's length transaction

**DATE (OF TRANSACTION):** December 2006

**PRESENT USE:** Citrus grove

**HIGHEST AND BEST USE:** Citrus grove

**COMPARABLE VACANT LAND SALE NO. HIGH-11 (2035-1863)**  
**[B-7]**



**COMPARABLE VACANT LAND SALE NO. D-5 592-1841 (DeSoto)**  
**3107-1484 (Charlotte) [B-11]**

**LOCATION:** The site is located in the southeastern corner of DeSoto County and the northeastern corner of Charlotte County, lying approximately 12 miles southerly of SR 70.

**BRIEF LEGAL DESCRIPTION:** A lengthy legal description of a parcel of land located in Sections 1 and 12, Twp. 40S, Rge. 27E, Charlotte County and Section 36, Twp. 39S, Rge. 27E, DeSoto County, FL

**GRANTOR:** Eagle Island Citrus Corporation

**GRANTEE:** Spanish Trail Land and Cattle Company, LLC

**LAND SIZE:** 972.16± Gross Acres; 780.16± Net Grove Acres

**PROPERTY TYPE:** Citrus grove

**O.R. BOOK/PAGE:** 592-1841 (DeSoto) 3107-1484 (Charlotte)

**ZONING/LAND USE:** "Agricultural"

**PROPERTY DATA:** The grove was originally planted in the early 1980's on double row beds, with rows being 25 feet on center. The grove had declined to the point of selling for land only, with no contribution to the citrus trees. Former citrus grove, now cattle ranch.

**SALES PRICE:** \$4,200,000.

**PRICE/UNIT:** \$4,320/acre; \$5,384/grove acre

**TERMS:** Cash to the seller.

**VERIFICATION:** By William C. Bennett, MAI with confidential sources.

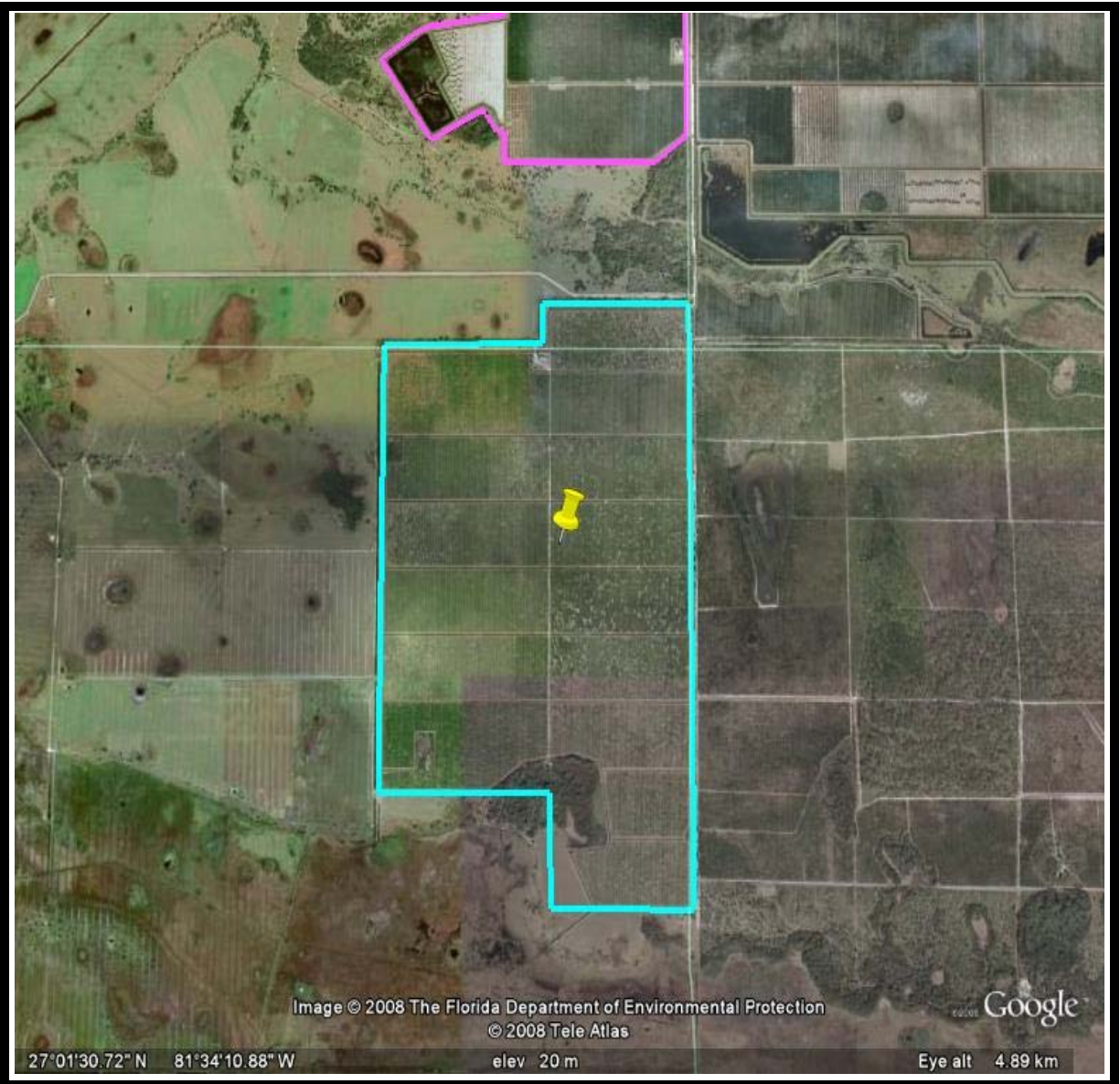
**CONDITIONS OF SALE:** Arm's length transaction.

**DATE (OF TRANSACTION):** February 1, 2007

**PRESENT USE:** Cattle ranch.

**HIGHEST AND BEST USE:** Agricultural.

**COMPARABLE VACANT LAND SALE NO. D-5 592-1841 (DeSoto)  
3107-1484 (Charlotte) [ B-11]**



**RESIDENTIAL  
TRANSITIONAL LAND SALES**

# TRANSITIONAL SALES SUMMARY CHART RESIDENTIAL

SALE #	Sale Date	Sale Price	Size (Acres)	Price/Ac	County	Grantor	Grantee
M-5(1883/1)++	4/5/2004+	\$10,938,700	1,215.41	\$9,000	MARTIN	CAMAYEN CATTLE CO	BRANT
M-4(2324/2214,2222)	4/25/2008	\$10,154,300	574.80	\$17,666	MARTIN	CAMAYEN CATTLE CO	PORT MAYACA PLANTATION, LLC
G-5(271/200+)	11/9/2007	\$4,992,500	532.19	\$9,381	GLADES	WEEKS CATTLE CO.	TRITON VI, INC.
M-3(2143/51)	5/11/2006	\$10,154,300	465.00	\$21,837	MARTIN	CAMAYEN CATTLE CO	PORT MAYACA PLANTATION, LLC
G-4(263/572)	4/5/2007	\$6,235,300	286.96	\$21,729	GLADES	JAMES S. CLICK, INC	S.T.O.F. HOLDINGS, LTD
H-48(751/846)	10-26-2006	\$2,270,000	163.79	\$13,859	HENDRY	HENDRY INDUSTRIES, LLC	HENDRY VENTURE, LLC
G-3(259/907)	12/1/2006	\$2,200,000	143.8	\$15,299	GLADES	ROBIN WEEKS FND.	LONG HAMMOCK GROVE INC
H-58(677/289)	6/18/2004	\$1,130,000	113.00	\$10,000	HENDRY	CAROLINE PAPE, ET AL	FLORIDA BUSINESS CENTERS
H-47(694/302)	2/17/2005	\$552,200	55.00	\$10,040	HENDRY	VIRGINIA ADAMS	PALM DEVELOPMENTS INC.
PB-71(21444/1175)	2/21/2007	\$1,505,000	42.95	\$35,041	PALM BEACH	SBG FARMS, INC	BW BELLE GLADE LLC
PB-81(20675/1148)	6/30/2006	\$1,200,000	40.37	\$29,725	PALM BEACH	T&M OF PALM BEACH, INC.	GLADES DEVELOPMENT PARTNERSHIP 1, LTD.
PB-67(192727/1311)++	9/15/2005	\$402,346	28.74	\$14,000	PALM BEACH	FIVE SMOOTH STONES	PORT MAYACA LAND, LLC
PB-77(20135/343)	3/24/2006	\$875,000	25.00	\$35,000	PALM BEACH	JOHN MARK THOMPSON	BW BELLE GLADE LLC
PB-73(21757/246)	5/10/2007	\$750,000	23.13	\$32,425	PALM BEACH	JOEL L. TABAS	SOUTH BAY ACQUISITIONS
H-36(775/67,71)	9/20/2007	\$517,800	20.71	\$25,002	HENDRY	USSC	RESOURCE CONSERVATION PROPERTIES INC., ET AL
PB-82(19796/358)	1/5/2006	\$900,000	19.99	\$45,023	PALM BEACH	THN INC.	T&M OF PALM BEACH, INC.
PB-79(19635/1708)	11/18/2005	\$400,000	19.88	\$20,121	PALM BEACH	ROY VANDEGRIFT JR	MIDWAY FOUNDATION INC
H-57(711/1853)	8/10/2005	\$600,000	19.68	\$30,488	HENDRY	FL RICE MILL INC	REY BERMUDEZ
PB-79A(22649/367)	5/13/2008	\$423,000	15.00	\$28,200	PALM BEACH	MIDWAY FOUNDATION	SCHOOL BOARD OF PBC, FL
PB-74(22718/1343)	6/18/2008	\$516,000	12.00	\$43,000	PALM BEACH	LEWIS FRIEND FARMS, INC.	MIDWAY CORPORATION
PB-80(22649/453)	2/13/2008	\$300,000	10.34	\$29,014	PALM BEACH	SCHOOL BOARD OF PBC, FL	MIDWAY FOUNDATION
H-45(715/585)	8-25-2005	\$1,000,000	7.75	\$129,032	HENDRY	WALKER	LENNAR HOMES
MEAN INDICATIONS	10/21/2006	\$58,016,446	3,835.49	\$15,126			

**COMPARABLE VACANT LAND SALE NO. M-5 (1883-1; 2000-1112;  
2129-2804; 2129-2817 & 2219-773)**

**LOCATION:** The site is located along the easterly right-of-way of SR 98/441, lying just northerly of the St. Lucie Canal.

**BRIEF LEGAL DESCRIPTION:** A lengthy legal description of a parcel of land located in Sections 2, 3, 4, 10, 11, 14 and 22, Twp. 40S, Rge. 37E and Section 34, Twp. 39S, Rge. 37E, Martin County, FL

**GRANTOR:** Camayen Cattle Company

**GRANTEE:** Barry M. Brant, Trustee of Okeechobee CC-1 Land Trust

**LAND SIZE:** 1,215.41 Acres

**PROPERTY TYPE:** Improved Farmland.

**O.R. BOOK/PAGE:** 1883-1; 2000-1112; 2129-2804; 2129-2817 & 2219-773

**ZONING/LAND USE:** "A-2", Agricultural/Agriculture (Martin County).

**PROPERTY DATA:** At the time of sale, the property was cultivated in sugarcane. The buyer intends to convert the parcel into a large plant/tree nursery and utilize as a tree farm.

**SALES PRICE:** \$10,938,700.

**PRICE/UNIT:** \$9,000/Acre

**TERMS:** Cash to the seller.

**VERIFICATION:** By Philip M. Holden, MAI with Al Sanchez (Grantor) on April 9, 2004.

**CONDITIONS OF SALE:** Arm's length transaction.

**DATE (OF TRANSACTION):** April 5, 2004, April 1, 2005, April 3, 2006 and January 29, 2007

**PRESENT USE:** Sugarcane

**HIGHEST AND BEST USE:** Agriculture

**COMPARABLE VACANT LAND SALE NO. M-5** (1883-1; 2000-1112; 2129-2804;  
2129-2817 & 2219-773)



**COMPARABLE VACANT LAND SALE NO. M-4 (2324-2214&2222)**

**LOCATION:** The site is located along the easterly right-of-way of US Hwy. 98, lying approximately 4.75 miles northerly of the St. Lucie Canal in western Martin County, FL.

**BRIEF LEGAL DESCRIPTION:** A lengthy legal description of a parcel of land located in Sections 27, 28 & 29, Twp. 39S, Rge. 37E, Martin County, FL

**GRANTOR:** Camayen Cattle Company

**GRANTEE:** Port Mayaca Plantation, LLC

**LAND SIZE:** 574.8 Acres

**PROPERTY TYPE:** Improved Farmland

**O.R. BOOK/PAGE:** 2324/2214&2222

**ZONING/LAND USE:** "A-2", Agriculture (Martin County)/Agricultural (Martin County).

**PROPERTY DATA:** The site has recently been approved to be developed as the Port Myakka Plantation, an equestrian oriented community of 20 acre ranchettes.

**SALES PRICE:** \$10,154,300.

**PRICE/UNIT:** \$17,666/Acre

**TERMS:** Cash to the seller.

**VERIFICATION:** By Philip M. Holden, MAI with Al Sanchez (Grantor) on July 11, 2008.

**CONDITIONS OF SALE:** Arm's length transaction.

**DATE (OF TRANSACTION):** April 25, 2008

**PRESENT USE:** Sugarcane farming.

**HIGHEST AND BEST USE:** Rural residential development.

COMPARABLE VACANT LAND SALE NO. M-4 (2324-2214&2222)



**COMPARABLE VACANT LAND SALE NO. G-5 (271/200, 272/178)**

**LOCATION:** The site is located at the northeast quadrant of SR 78 and CR 721.

**BRIEF LEGAL DESCRIPTION:** A lengthy legal description of a parcel of land located in Section 7, Twp. 40S, Rge. 33E, Glades County, FL

**GRANTOR:** Weeks Cattle Company

**GRANTEE:** Triton VI, Inc.

**LAND SIZE:** 532.19± Acres

**PROPERTY TYPE:** Vacant land (Sod farm)

**O.R. BOOK/PAGE:** 271/200, 272/178

**ZONING/LAND USE:** "OUA", Open Use Agriculture / "Transitional" (Glades County)

**PROPERTY DATA:** Verifications with representatives of the grantor indicate the property was under lease to a sod farm operator as of the date of sale. There is a small tract on the south side of SR 78 that provides access to the Hoover Dike Rim Canal.

**SALES PRICE:** \$4,992,500.

**PRICE/UNIT:** \$9,381/Acre

**TERMS:** Cash to the seller

**VERIFICATION:** By John D. Osgood, Associate Appraiser, with Ms. Carolyn Thomas, representative of the grantor, on July 25, 2008, and by Tim Holden, S.F. Holden, Inc. with William Wiltshire (representative of grantor), April 2008.

**CONDITIONS OF SALE:** Arm's length transaction.

**DATE (OF TRANSACTION):** November 9, 2007

**PRESENT USE:** Sod farm.

**HIGHEST AND BEST USE:** Interim agricultural in anticipation of more intensive development.

**COMPARABLE VACANT LAND SALE NO. G-5 (271/200, 272/178)**



**COMPARABLE VACANT LAND SALE NO. M-3 (2143-51)**

**LOCATION:** The site is located on the north side of the St. Lucie Canal just east of Lake Okeechobee and south of the FPL cooling pond for the Martin County power plant in western Martin County, FL.

**BRIEF LEGAL DESCRIPTION:** A lengthy legal description of a parcel of land located in Sections 13 and 14, Twp. 40S, Rge. 37E, lying northerly of the St. Lucie Canal, Martin County, FL.

**GRANTOR:** Camayen Cattle Company

**GRANTEE:** Port Mayaca Plantation, LLC

**LAND SIZE:** 465 Acres

**PROPERTY TYPE:** Improved Farmland

**O.R. BOOK/PAGE:** 2143/51

**ZONING/LAND USE:** "A-2", Agricultural (Martin County)/Agricultural (Martin County).

**PROPERTY DATA:** The buyer intended to develop a waterfront community of 20 acre ranchettes to be known as the Port Mayaca Yacht Club.

**SALES PRICE:** \$10,154,300.

**PRICE/UNIT:** \$21,837/Acre

**TERMS:** Cash to the seller.

**VERIFICATION:** By Philip M. Holden, MAI with Al Sanchez (grantor) on July 11, 2008, and with Osiris Ramos (grantee representative) in October 2006.

**CONDITIONS OF SALE:** Arm's length transaction.

**DATE (OF TRANSACTION):** May 11, 2006

**PRESENT USE:** Sugarcane farming.

**HIGHEST AND BEST USE:** Rural residential development.

COMPARABLE VACANT LAND SALE NO. M-3 (2143-51)



## COMPARABLE VACANT LAND SALE NO. G-4

**LOCATION:** The site is located long the northerly right-of-way of SR 78, lying just westerly of CR 721.

**BRIEF LEGAL DESCRIPTION:** A lengthy legal description of a parcel of land located in Sections 12 and 13, Twp. 40S, Rge. 32E, Glades County, FL.

**GRANTOR:** James S. Click, Inc.

**GRANTEE:** S. T. O. F. Holdings, Ltd.

**LAND SIZE:** 286.96± Acres

**PROPERTY TYPE:** Improved farm land (sugarcane)

**O.R. BOOK/PAGE:** 263/572

**ZONING/LAND USE:** "OUA", Open Use Agriculture / "Transitional" (Glades County)

**PROPERTY DATA:** The site has approximately ½ mile frontage along the northerly right-of-way of SR 78. The site was purchased by an adjacent landowner (Seminole Tribe of Florida) and is reportedly proposed to be developed with an RV park facility.

**SALES PRICE:** \$6,235,300.

**PRICE/UNIT:** \$21,728/Acre

**TERMS:** Cash to the seller.

**VERIFICATION:** By John D. Osgood, Associate Appraiser, with Mr. James S. Click (Grantor) and Ms. Carolyn Thomas (real estate broker) on July 24, 2008 and by Tim Holden, S.F. Holden, Inc., with Joe Martin (representative of grantee), April 2008.

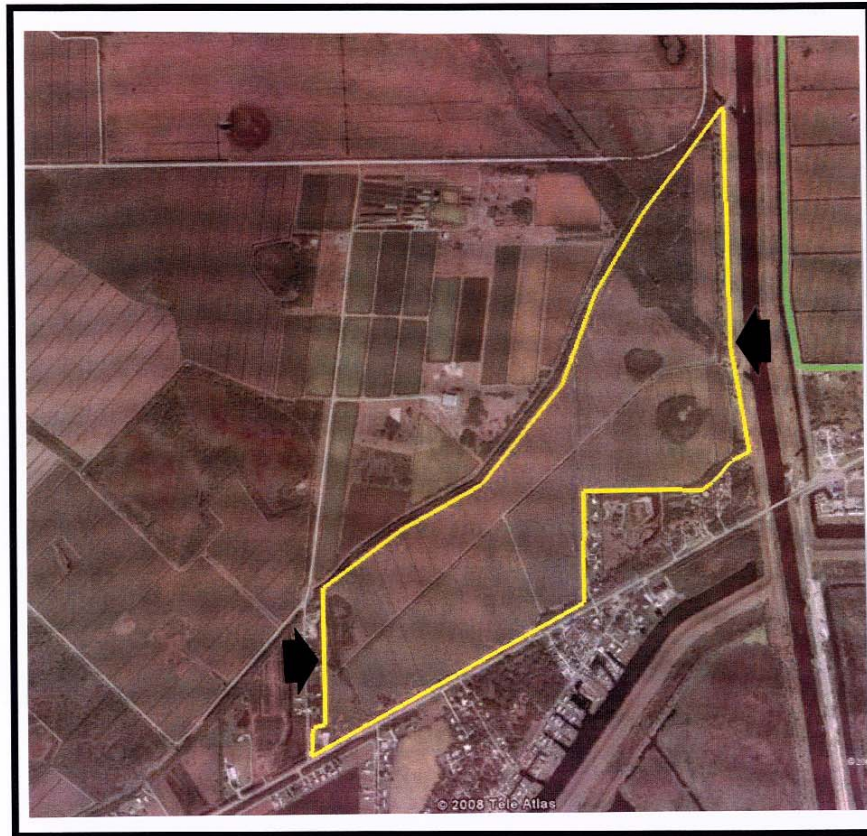
**CONDITIONS OF SALE:** Arm's length transaction.

**DATE (OF TRANSACTION):** April 5, 2007.

**PRESENT USE:** Sugarcane production.

**HIGHEST AND BEST USE:** Interim agriculture in anticipation of more intensive development.

COMPARABLE VACANT LAND SALE NO. G-4



**COMPARABLE VACANT TRANSITIONAL SALE NO. H-48 (751-846)**

**LOCATION:** The site is located along the easterly right-of-way of Hendry Isles Boulevard, lying approximately ¼ mile south of SR 80.

**BRIEF LEGAL DESCRIPTION:** A lengthy legal description of a parcel of land located in Sections 10, 11 and 14, Twp. 43S, Rge. 31E, Hendry County, FL

**GRANTOR:** Hendry Industries, LLC

**GRANTEE:** Hendry Venture, LLC

**LAND SIZE:** 163.79± Acres

**PROPERTY TYPE:** Improved pasture (former citrus grove)

**O.R. BOOK/PAGE:** 751-846

**ZONING/LAND USE:** "A2", Agricultural / "Agricultural" (Hendry County)

**PROPERTY DATA:** The site was formerly improved with a citrus grove which was removed due to canker disease. In addition, the site has frontage along the Myrtle Slough Canal. The site was purchased for future rural residential development.

**SALES PRICE:** \$2,270,000.

**PRICE/UNIT:** \$13,859/Acre

**TERMS:** Cash to the seller

**VERIFICATION:** By John D. Osgood, Associate Appraiser, with Cheryl Eby Gutjahr (real estate broker) on August 7, 2008.

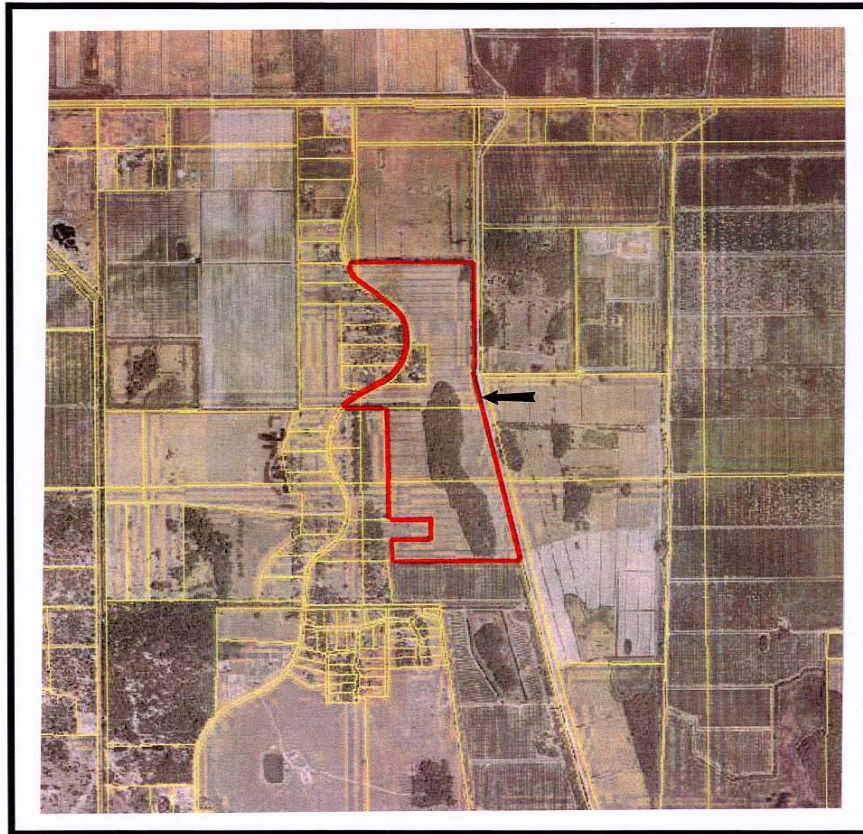
**CONDITIONS OF SALE:** Arm's length transaction

**DATE (OF TRANSACTION):** October 26, 2006

**PRESENT USE:** Pastureland

**HIGHEST AND BEST USE:** Rural residential development

COMPARABLE VACANT TRANSITIONAL SALE NO. H -48 (751-846)



**COMPARABLE VACANT LAND SALE NO. G-3 (259/907)**

**LOCATION:** The site is located along the western side of US Hwy. 27, lying just southerly of the Caloosahatchee River.

**BRIEF LEGAL DESCRIPTION:** A lengthy legal description of a parcel of land located in Sections 12 and 13, Twp. 42S, Rge. 32E, Glades County, FL.

**GRANTOR:** The Robin Weeks Foundation, Inc.

**GRANTEE:** Long Hammock Grove, Inc.

**LAND SIZE:** 143.8 Acres

**PROPERTY TYPE:** Improved Farmland

**O.R. BOOK/PAGE:** 259/907

**ZONING/LAND USE:** "AR", Agricultural Residential and "C-2", Commercial/Agricultural/Residential and Commercial (Glades County).

**PROPERTY DATA:** The site was purchased by the adjacent land owner to assemble the tract to property located along the Caloosahatchee River.

**SALES PRICE:** \$2,200,000.

**PRICE/UNIT:** \$15,299/Acre

**TERMS:** Cash to the seller.

**VERIFICATION:** By Dawn R. Roberts with Miller Couse, Grantee, in March 2007.

**CONDITIONS OF SALE:** Arm's length transaction.

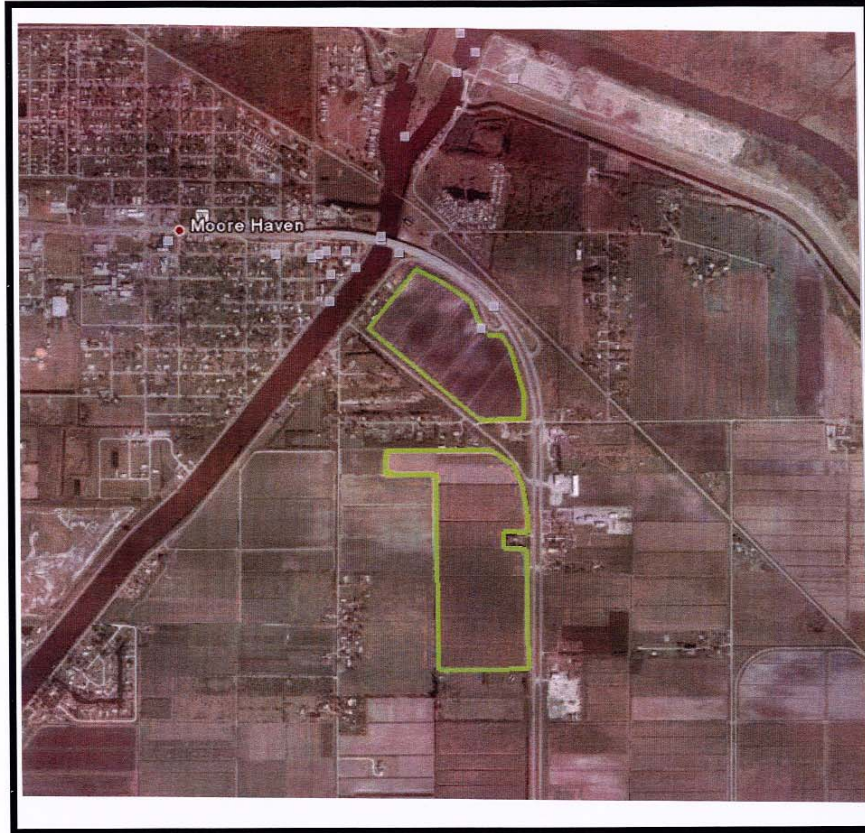
**DATE (OF TRANSACTION):** December 1, 2006

**PRESENT USE:** Farm land currently planted in sugarcane.

**HIGHEST AND BEST USE:** Interim Agriculture in anticipation of more intensive development.

**COMMENTS:** The Grantee has filed for a Future Land Use Map amendment from Agricultural Residential to Residential, which will allow 7 dwelling units per acre. Discussions with Glades County officials indicate this land use amendment will be approved September 9, 2008.

COMPARABLE VACANT LAND SALE NO. G-3 (259/907)



**COMPARABLE TRANSITIONAL LAND SALE NO. H-58 (677/289)**

**LOCATION:** The site is located along the northerly right-of-way of US 27, lying approximately 1± miles westerly of CR 720.

**BRIEF LEGAL DESCRIPTION:** A lengthy legal description of a parcel of land located in Section 12, Twp. 43S, Rge. 33E, Hendry County, FL

**GRANTOR:** Caroline Pape, Individually and as trustee, et al

**GRANTEE:** Florida business Centers, a Florida general partnership

**LAND SIZE:** 113± Acres

**PROPERTY TYPE:** Improved farmland and pasture

**O.R. BOOK/PAGE:** 677/289

**ZONING/LAND USE:** "AG-2" Agricultural / "RR", Rural Residential / "Transitional" (Hendry County)

**PROPERTY DATA:** The site is level and at road grade and consists of mineral (sand) soils.

**SALES PRICE:** \$1,130,000

**PRICE/UNIT:** \$10,000/Acre

**TERMS:** Cash to the seller.

**VERIFICATION:** By Philip M. Holden, MAI with Carl Berner (grantee) on July 28, 2006.

**CONDITIONS OF SALE:** Arm's length transaction.

**DATE (OF TRANSACTION):** June 18, 2004

**PRESENT USE:** Cropland planted in sugarcane.

**HIGHEST AND BEST USE:** Agriculture, with long-term rural residential development potential.

COMPARABLE TRANSITIONAL LAND SALE NO. H-58 (677/289)



**COMPARABLE TRANSITIONAL LAND SALE NO. H-47 (694-302)**

**LOCATION:** The site is located along the northerly right-of-way of US 27, lying approximately 1± mile westerly of CR 720.

**BRIEF LEGAL DESCRIPTION:** A lengthy legal description of a parcel of land located in Section 12, Twp. 43S, Rge. 33E, Hendry County, FL

**GRANTOR:** Virginia B. Adams

**GRANTEE:** Palm Developments, Inc.

**LAND SIZE:** 55± Acres

**PROPERTY TYPE:** Improved farmland.

**O.R. BOOK/PAGE:** 694-302

**ZONING/LAND USE:** "Agricultural" (Hendry County) / "Transitional" (Hendry County)

**PROPERTY DATA:** The site is located along the northern side of the Nine Mile Canal and has been subsequently developed with the Sky Valley residential subdivision. The subdivision contains 82 lots, with finished lot sales ranging from \$50,000-\$60,000 per 1/3-acre lot.

**SALES PRICE:** \$552,200.

**PRICE/UNIT:** \$10,040/Acre

**TERMS:** PMM in favor of grantor for \$450,000.

**VERIFICATION:** By John D. Osgood, Associate Appraiser, with Mr. Tommy Kerts (representative of grantee) on August 7, 2008.

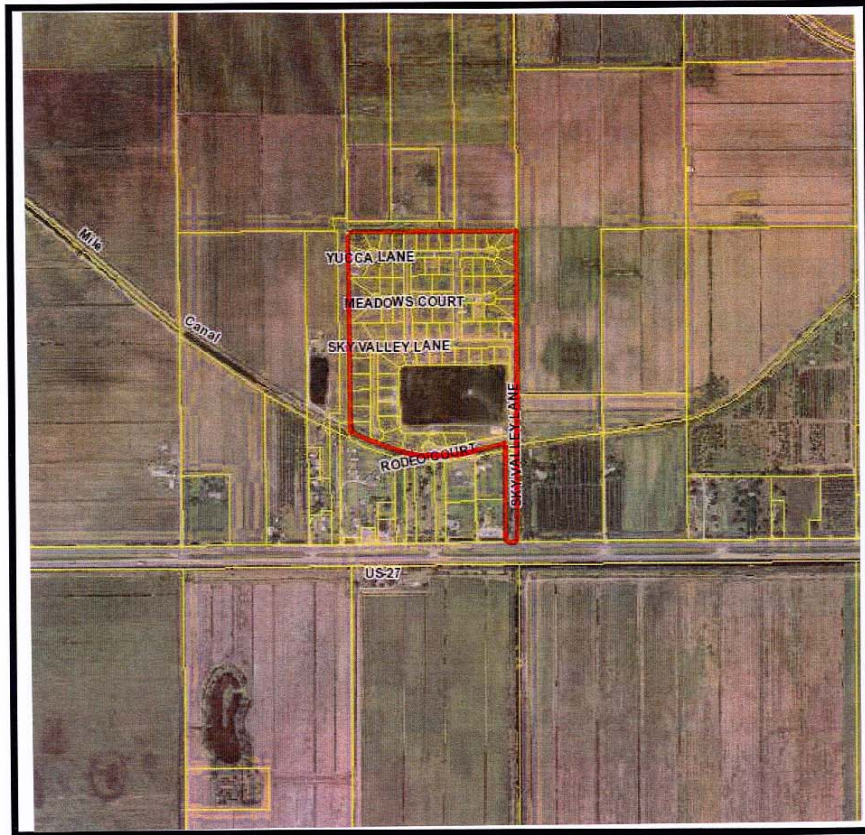
**CONDITIONS OF SALE:** Arm's length transaction.

**DATE (OF TRANSACTION):** February 17, 2005

**PRESENT USE:** Sky Valley Subdivision

**HIGHEST AND BEST USE:** Rural residential development.

COMPARABLE TRANSITIONAL LAND SALE NO. H-47 (694-302)



**COMPARABLE TRANSITIONAL LAND SALE NO. PB-71 (21444/1175)**

**LOCATION:** The site is located on the north side of SR 80, west of the intersection of SR 80 and CR 827A in southern Belle Glade, FL

**BRIEF LEGAL DESCRIPTION:** A lengthy legal description of a parcel of land located in Section 6, Twp. 44S, Rge. 37E, Palm Beach County, FL

**GRANTOR:** SBG Farms, Inc.

**GRANTEE:** BW Belle Glade, LLC

**LAND SIZE:** 42.95± Acres

**PROPERTY TYPE:** Improved Farm Land

**O.R. BOOK/PAGE:** 21444/1175

**ZONING/LAND USE:** "AR", Agricultural Residential (Palm Beach County) /  
"HR-12", allowing 12 units/acre (Palm Beach County)

**PROPERTY DATA:** The site consists of muck soils with perimeter canals, and is level at road grade.

**SALES PRICE:** \$1,505,000.

**PRICE/UNIT:** \$35,041/Acre

**TERMS:** Cash to the seller

**VERIFICATION:** By Dawn R. Roberts (S.F. Holden, Inc.) with Brett Dubois (grantee) on July 22, 2008.

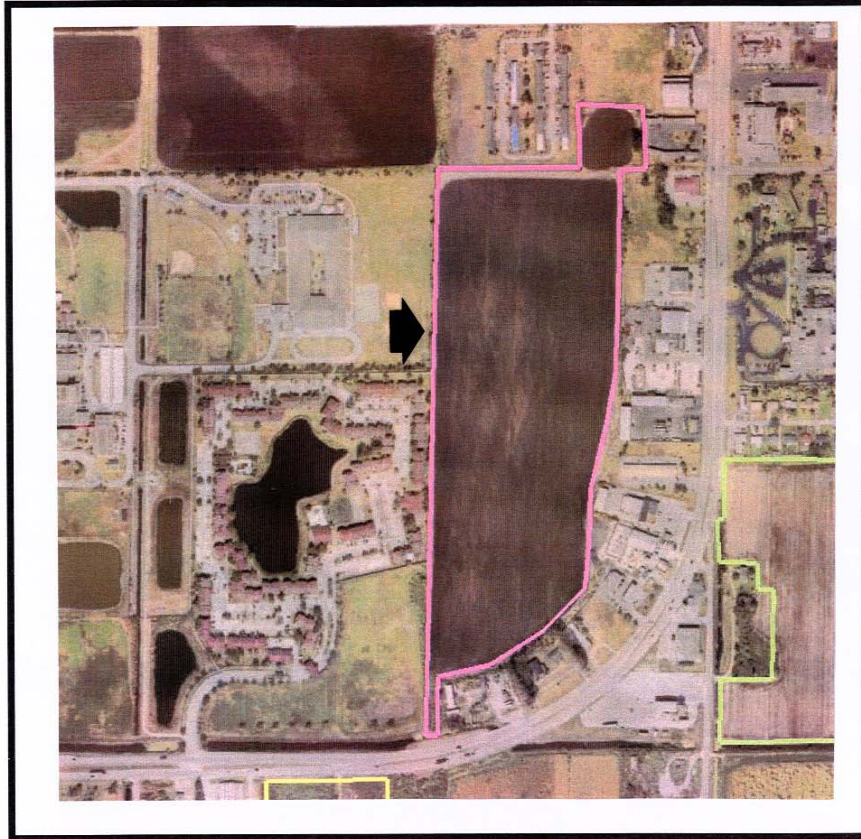
**CONDITIONS OF SALE:** Arm's length transaction

**DATE (OF TRANSACTION):** February 21, 2007

**PRESENT USE:** Sugarcane

**HIGHEST AND BEST USE:** Agriculture, with long-term development potential.

COMPARABLE TRANSITIONAL LAND SALE NO. PB-71 (21444/1175)



**COMPARABLE TRANSITIONAL LAND SALE NO. PB-81 (20675/1148)**

**LOCATION:** The site is located along the south side of SR 80, approximately 200± feet east of First Street, in southern Belle Glade, FL

**BRIEF LEGAL DESCRIPTION:** A lengthy legal description of a parcel of land located in Section 7, Twp. 44S, Rge. 37E, Palm Beach County, FL

**GRANTOR:** T & M of Palm Beach

**GRANTEE:** Glades Development Partnership, 1, Ltd.

**LAND SIZE:** 40.37± Acres

**PROPERTY TYPE:** Improved farmland

**O.R. BOOK/PAGE:** 20675/1148

**ZONING/LAND USE:** "AR", Agricultural Residential (Palm Beach County)  
/  
"HR-12", 12 units per acre (Palm Beach County)

**PROPERTY DATA:** The site is level and consists of muck soils.

**SALES PRICE:** \$1,200,000

**PRICE/UNIT:** \$29,725/Acre

**TERMS:** Cash to the seller

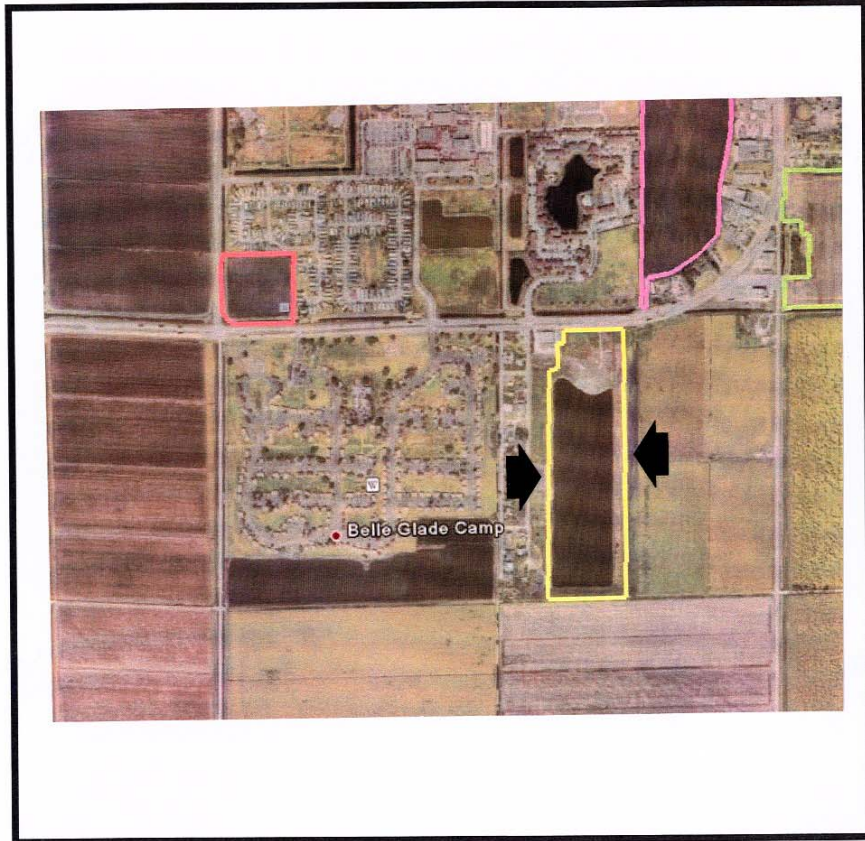
**VERIFICATION:** By David Boyd, MAI (appraiser), with Jeff Smith (grantee representative).

**CONDITIONS OF SALE:** Arm's length transaction

**DATE (OF TRANSACTION):** June 30, 2006

**PRESENT USE:** Cropland planted in sugarcane.

**HIGHEST AND BEST USE:** Agriculture, with long-term development potential.



**COMPARABLE TRANSITIONAL LAND SALE NO. PB-57**  
**(192727/1311,1317,1323)**

**LOCATION:** The site is located along the east and west sides of US 98/SR 15 at the Palm Beach-Martin County line.

**DESCRIPTION:** A lengthy legal description of a parcel of land located in Section 35, Twp. 40S, Rge. 37E

**GRANTOR:** Five Smooth Stones

**GRANTEE:** Port Mayaca Land, LLC

**LAND SIZE:** 28.739± Acres

**PROPERTY TYPE:** Improved tree farm and pastureland

**O.R. BOOK/PAGE:** 192727/1311,1317,1323

**ZONING/LAND USE:** "AP" with LOST Overlay / "AP" with LOST Overlay

**PROPERTY DATA:** The east side of the parcel is improved with a tree farm.

**SALES PRICE:** \$402,346

**PRICE/UNIT:** \$14,000/Acre

**TERMS:** Cash to the seller

**VERIFICATION:** By John D. Osgood, Associate Appraiser, with Mr. David McGahee (grantee) on August 8, 2008.

**CONDITIONS OF SALE:** Arm's length transaction.

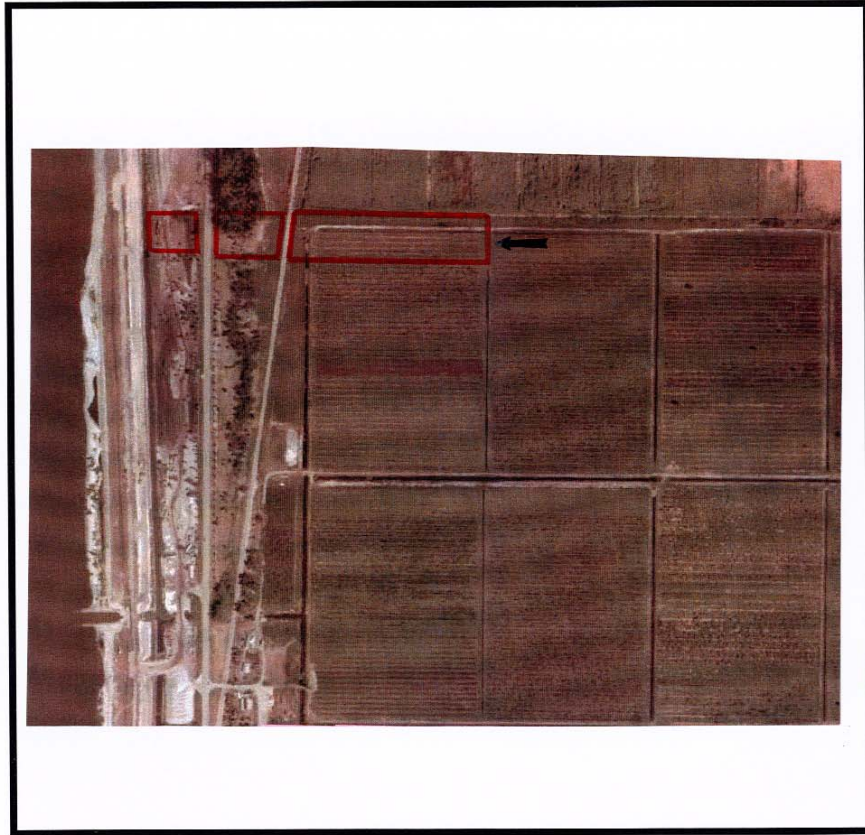
**DATE (OF TRANSACTION):** September 15, 2005

**PRESENT USE:** Tree farm

**HIGHEST AND BEST USE:** Interim agricultural in anticipation of rural residential development.

**COMMENTS:** The overall price of \$14,000/gross acre was based on the grantor's estimates of \$60,000/acre for the 1 acre next to Lake Okeechobee; \$40,000/acre for the 1 acre between SR 15 and the railroad tracks; and \$12,000/acre for the remaining land east of the railroad tracks. The seller has the right to use the eastern parcel for 5 years and continue his tree farm operation.

COMPARABLE TRANSITIONAL LAND SALE NO. PB-57  
(192727/1311,1317,1323)



**COMPARABLE TRANSITIONAL LAND SALE NO. PB-77**  
**(20135/343)**

**LOCATION:** The site is located along the northerly right-of-way of West Lake Road, lying approximately 1.1± miles westerly of SR 715.

**BRIEF LEGAL DESCRIPTION:** A lengthy legal description of a parcel of land located in Section 26, Twp. 43S, Rge. 36E, Palm Beach County, FL

**GRANTOR:** John Mark Thompson

**GRANTEE:** BW Belle Glade, LLC

**LAND SIZE:** 25± Acres

**PROPERTY TYPE:** Improved farmland

**O.R. BOOK/PAGE:** 20135/343

**ZONING/LAND USE:** "AP", Agricultural Production / "HR-8" (Palm Beach County)

**PROPERTY DATA:** The parcel was purchased for single-family residential development.

**SALES PRICE:** \$875,000.

**PRICE/UNIT:** \$35,000/Acre

**TERMS:** Cash to the seller.

**VERIFICATION:** By Dawn R. Roberts (S.F. Holden, Inc.) with Mr. Brett Dubois (grantee) on July 22, 2008.

**CONDITIONS OF SALE:** Arm's length transaction

**DATE (OF TRANSACTION):** March 24, 2006

**PRESENT USE:** Sugarcane

**HIGHEST AND BEST USE:** Interim agricultural in anticipation of residential development.

COMPARABLE TRANSITIONAL LAND SALE NO. PB-77 (20135/343)



**COMPARABLE TRANSITIONAL LAND SALE NO. PB-73**  
**(21757/246)**

**LOCATION:** The site is located along Rock Road on the north side of SR 80, ½ mile east of Rim Canal, in South Bay, FL.

**BRIEF LEGAL DESCRIPTION:** A lengthy legal description of a parcel of land located in Section 10, Twp. 44S, Rge. 36E, Palm Beach County, FL

**GRANTOR:** Joel L. Tabas, Trustee

**GRANTEE:** South Bay Acquisitions, LLC

**LAND SIZE:** 23.13± Acres

**PROPERTY TYPE:** Vacant land

**O.R. BOOK/PAGE:** 21757/246

**ZONING/LAND USE:** "R1", Residential (City of South Bay) / "PD/RMD, Planned Development/Residential Medium Density (City of South Bay)

**PROPERTY DATA:** The site is level and consists of muck soils with perimeter canals.

**SALES PRICE:** \$750,000.

**PRICE/UNIT:** \$32,425/Acre

**TERMS:** Cash to the seller.

**VERIFICATION:** By Tim Holden (S.F. Holden, Inc.) with Ronald Schmidt (representative of grantee) on July 23, 2008.

**CONDITIONS OF SALE:** Arm's length transaction

**DATE (OF TRANSACTION):** May 10, 2007

**PRESENT USE:** Vacant land

**HIGHEST AND BEST USE:** Agriculture with long-term development potential

COMPARABLE TRANSITIONAL LAND SALE NO. PB-73 (21757/246)



**COMPARABLE VACANT LAND SALE NO. H-36 (775/67 &71)**

**LOCATION:** Two non-contiguous sites are located along the southerly right-of-way of Sugarland Highway (US Highway 27), lying just easterly of Lewis Boulevard and along the southwest corner of Alverde Avenue and San Luiz Avenue.

**BRIEF LEGAL DESCRIPTION:** A lengthy legal description of two parcels of land located in Section 17, Twp. 43S, Rge. 34E, Hendry County, FL

**GRANTOR:** United States Sugar Corporation

**GRANTEE:** Resource Conservation Properties, Inc. and RCP Commercial Investments, Inc.

**LAND SIZE:** 12.64± Acres + 8.07± Acres = 20.71± Acres

**PROPERTY TYPE:** Improved pasture

**O.R. BOOK/PAGE:** 775/67, 71

**ZONING/LAND USE:** "PUD", Planned Unit Development (City of Clewiston)/ "Gateway Mixed Use" (City of Clewiston)

**PROPERTY DATA:** The property was rezoned from "Single-Family Residential" and "General Commercial" to "Planned Unit Development" (PUD) on August 20, 2007.

**SALES PRICE:** \$316,000 + \$201,800 = \$517,800

**PRICE/UNIT:** \$25,002/Acre

**TERMS:** Cash to the seller

**VERIFICATION:** By John D. Osgood, Associate Appraiser, with Mr. Edward Almeida (representative of grantor) on July 23, 2008.

**CONDITIONS OF SALE:** Arm's length transaction

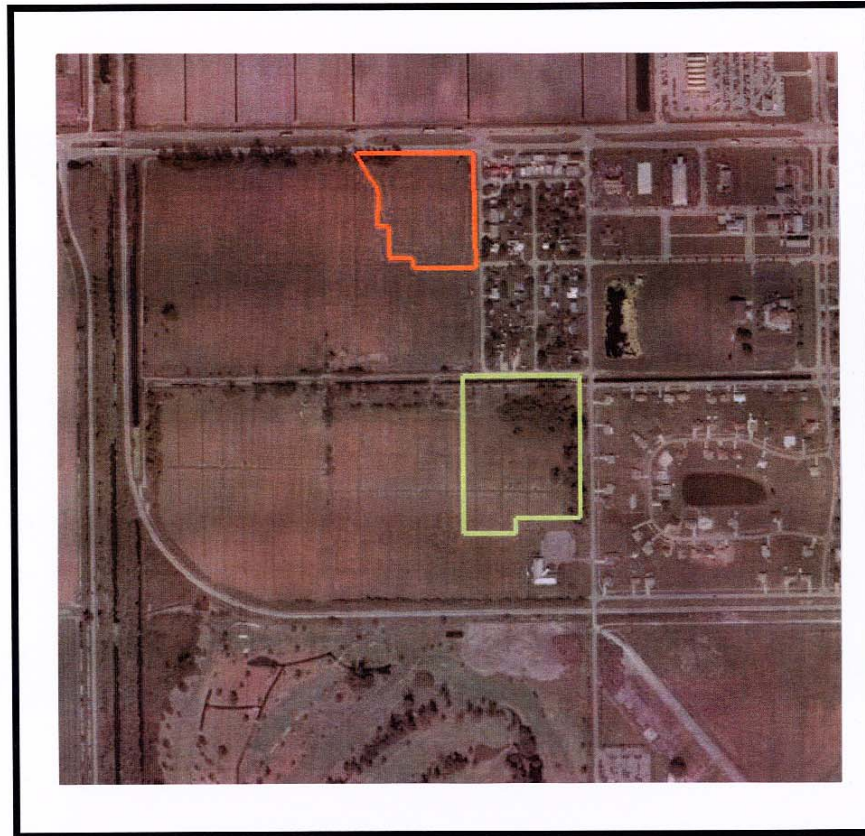
**DATE (OF TRANSACTION):** September 20, 2007

**PRESENT USE:** Vacant land

**HIGHEST AND BEST USE:** Residential and commercial development

**COMMENTS:** RCP Commercial Investments, Inc. (Bonita Bay Group) sold a 1.77±-acre portion of the northern site of May 2, 2008 for \$693,000, or \$8.98/SF to the Clewiston Hotel Group to intends to construct a hotel on the site.

COMPARABLE VACANT LAND SALE NO. H-36 (775/67& 71)



**COMPARABLE TRANSITIONAL LAND SALE NO. PB-82 (19796/358)**

**LOCATION:** The site is located approximately 700± feet east of SR 80 at the southeast end of Avenue M, Belle Glade, FL.

**BRIEF LEGAL DESCRIPTION:** A lengthy legal description of a parcel of land located in Section 5, Twp. 44S, Rge. 37E, Palm Beach County, FL

**GRANTOR:** THN, Inc.

**GRANTEE:** T & M of Palm Beach, Inc.

**LAND SIZE:** 19.99± Acres

**PROPERTY TYPE:** Improved farmland

**O.R. BOOK/PAGE:** 19796/358

**ZONING/LAND USE:** "R-2", Residential (City of Belle Glade) / "Residential" (City of Belle Glade)

**PROPERTY DATA:** The property owner has proposed building 215 townhomes units to be known as Hillsborough Estates.

**SALES PRICE:** \$900,000

**PRICE/UNIT:** \$45,023/Acre

**TERMS:** PMM in favor of grantee for \$720,000.

**VERIFICATION:** By Mike Ford, MAI (appraiser) with Norman Nicks (representative of grantor).

**CONDITIONS OF SALE:** Arm's length transaction

**DATE (OF TRANSACTION):** January 5, 2006

**PRESENT USE:** Cropland planted in sugarcane.

**HIGHEST AND BEST USE:** Interim agriculture/future residential development.

COMPARABLE TRANSITIONAL LAND SALE NO. PB-82 (19796/358)



**COMPARABLE TRANSITIONAL LAND SALE NO. PB-79 (19635/1708)**

**LOCATION:** The site is located along the northerly right-of-way of Larrimore Road, lying 1,500± feet westerly of State Market Road (SR 15A).

**BRIEF LEGAL DESCRIPTION:** A lengthy legal description of a parcel of land located in Section 8, Twp. 42S, Rge. 37E, Palm Beach County, FL

**GRANTOR:** Roy Vandegrift, Jr.

**GRANTEE:** Midway Foundation, Inc.

**LAND SIZE:** 19.88± Acres

**PROPERTY TYPE:** Improved farmland

**O.R. BOOK/PAGE:** 19635/1708

**ZONING/LAND USE:** "SF-5", Single Family 5 (City of Pahokee) / "Low Density Residential/Transitional" (City of Pahokee)

**PROPERTY DATA:** The site was purchased to develop a single-family subdivision at a density of 5 dwelling units per acre.

**SALES PRICE:** \$400,000

**PRICE/UNIT:** \$20,121/Acre

**TERMS:** Cash to the seller

**VERIFICATION:** By Sharon Morgan (S.F. Holden, Inc.) with Dan Schmidt (grantee).

**CONDITIONS OF SALE:** Arm's length transaction

**DATE (OF TRANSACTION):** November 18, 2005

**PRESENT USE:** Cropland planted in sugarcane.

**HIGHEST AND BEST USE:** Single-family residential development.

COMPARABLE TRANSITIONAL LAND SALE NO. PB-79 (22649/367)



**COMPARABLE TRANSITIONAL LAND SALE NO. H-57**  
**(711/1853)**

**LOCATION:** The site is located along the westerly right-of-way of CR 835, lying approximately 1.25± miles southerly of US 27.

**BRIEF LEGAL DESCRIPTION:** A lengthy legal description of a parcel of land located in Section 23, Twp. 43S, Rge. 34E, Hendry County, FL

**GRANTOR:** Florida Rice Mill, Inc.

**GRANTEE:** Rey Bermudez

**LAND SIZE:** 19.68± Acres

**PROPERTY TYPE:** Improved pasture

**O.R. BOOK/PAGE:** 711/1853

**ZONING/LAND USE:** "PUD" (Hendry County) /  
"Residential Medium Density" (Hendry County)

**PROPERTY DATA:** Buyer has filed an application for subdivision into 39 single-family lots for an overall density of 1.98 dwelling units per acre.

**SALES PRICE:** \$600,000

**PRICE/UNIT:** \$30,488/Acre

**TERMS:** Cash to the seller

**VERIFICATION:** By Dawn R. Roberts (S.F. Holden, Inc.) with Armanda Pardillo (representative of grantor) on December 15, 2005.

**CONDITIONS OF SALE:** Arm's length transaction

**DATE (OF TRANSACTION):** August 10, 2005

**PRESENT USE:** Pastureland

**HIGHEST AND BEST USE:** Single-family residential development.

COMPARABLE TRANSITIONAL LAND SALE NO. H-57 (711/1853)



**COMPARABLE TRANSITIONAL LAND SALE NO. PB-79A**  
**(22649/367)**

**LOCATION:** The site is located along the northerly right-of-way of Larrimore Road, lying 1,500± feet westerly of State Market Road (SR 15A).

**BRIEF LEGAL DESCRIPTION:** A lengthy legal description of a parcel of land located in Section 8, Twp. 42S, Rge. 37E, Palm Beach County, FL

**GRANTOR:** Midway Foundation, Inc.

**GRANTEE:** The School Board of Palm Beach County, Florida

**LAND SIZE:** 15± Acres

**PROPERTY TYPE:** Improved farmland

**O.R. BOOK/PAGE:** 22649/367

**ZONING/LAND USE:** "SF-5", Single Family 5 (City of Pahokee) / "Low Density Residential/Transitional" (City of Pahokee)

**PROPERTY DATA:** The site is being improved with a new football stadium for the Pahokee High School.

**SALES PRICE:** \$423,000

**PRICE/UNIT:** \$28,200/Acre

**TERMS:** Cash to the seller

**VERIFICATION:** By Wayne Lewis (Anderson & Carr, Inc.) with Dan Schmidt (grantor).

**CONDITIONS OF SALE:** Arm's length transaction

**DATE (OF TRANSACTION):** May 13, 2008

**PRESENT USE:** Sugarcane production

**HIGHEST AND BEST USE:** Interim agricultural in anticipation of residential development.

COMPARABLE TRANSITIONAL LAND SALE NO. PB-79A (22649/367)



**COMPARABLE TRANSITIONAL LAND SALE NO. PB-74**  
**(22718/1343)**

**LOCATION:** The site is located along the north side of Larrimore Road, 1,500± feet west of State Market Road (SR 15A), 2,300± feet east of Bacom Point Road (US 441) in Pahokee, FL

**BRIEF LEGAL DESCRIPTION:** A lengthy legal description of a parcel of land located in Section 8, Twp. 42S, Rge. 37E, Palm Beach County, FL

**GRANTOR:** Lewis Friend Farms, Inc.

**GRANTEE:** Midway Corporation

**LAND SIZE:** 12± Acres

**PROPERTY TYPE:** Improved Farmland

**O.R. BOOK/PAGE:** 22718/1343

**ZONING/LAND USE:** "SF-5", Single Family 5 (City of Pahokee) / "Low Density Residential/Transitional" (City of Pahokee)

**PROPERTY DATA:** The site consists of muck soils with internal canals and ditches, is level and at road grade.

**SALES PRICE:** \$516,000

**PRICE/UNIT:** \$43,000/Acre

**TERMS:** Cash to the seller.

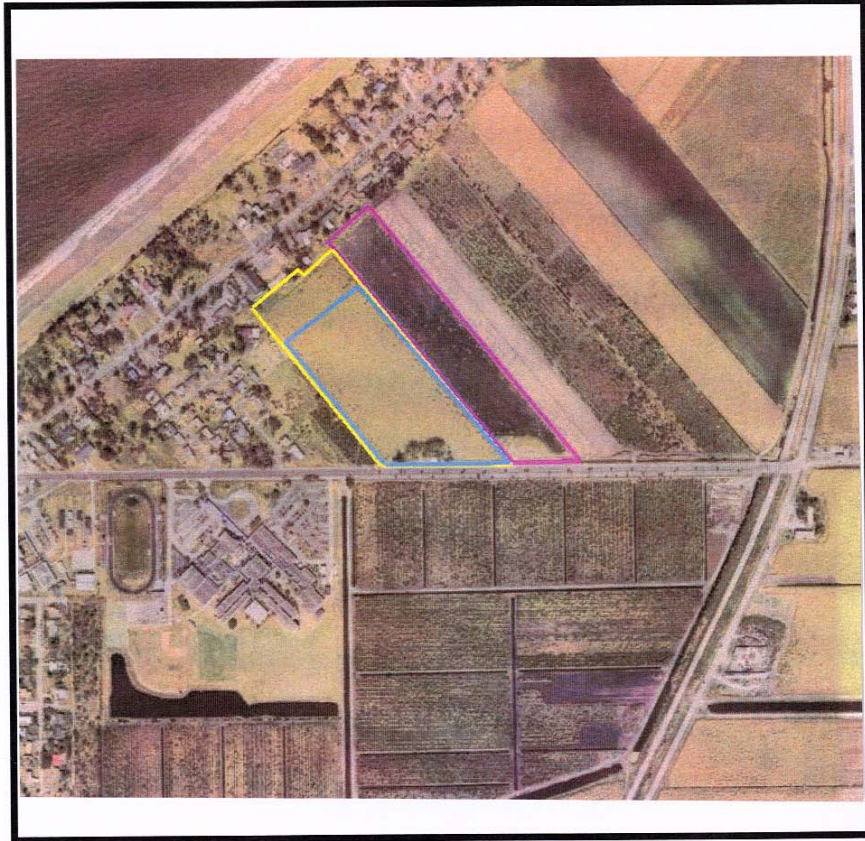
**VERIFICATION:** By Tim Holden (S.F. Holden, Inc.) with Barton Perryman on July 24, 2008.

**CONDITIONS OF SALE:** Arm's length transaction

**DATE (OF TRANSACTION):** June 18, 2008

**PRESENT USE:** Cropland planted in sugarcane

**HIGHEST AND BEST USE:** Agriculture, with long-term development potential



**COMPARABLE TRANSITIONAL LAND SALE NO. PB-80 (22649/453)**

**LOCATION:** The site is located along the westerly right-of-way of Rardin Avenue, along the easterly right-of-way of Amaryllis Avenue, and along the northerly right-of-way of S.W. 7<sup>th</sup> Street.

**BRIEF LEGAL DESCRIPTION:** A lengthy legal description of a parcel of land located in Section 18, Twp. 42S, Rge. 37E, Palm Beach County, FL

**GRANTOR:** The School Board of Palm Beach County, FL

**GRANTEE:** Midway Foundation, Inc.

**LAND SIZE:** 10.34± Acres

**PROPERTY TYPE:** Former East Lake Elementary School. Improvements were removed at time of sale.

**O.R. BOOK/PAGE:** 22649/453

**ZONING/LAND USE:** "R-2", Residential (City of Pahokee) / "Residential Medium Density" (City of Pahokee)

**PROPERTY DATA:** Sales price was based on appraisal determined by School Board of Palm Beach County, FL.

**SALES PRICE:** \$300,000

**PRICE/UNIT:** \$29,014/Acre

**TERMS:** Cash to the seller

**VERIFICATION:** By Wayne Lewis (Anderson & Carr, Inc.) with Dan Schmidt (grantee), June 2008.

**CONDITIONS OF SALE:** Arm's length transaction

**DATE (OF TRANSACTION):** February 13, 2008

**PRESENT USE:** Vacant land

**HIGHEST AND BEST USE:** Residential development

COMPARABLE TRANSITIONAL LAND SALE NO. PB-80 (22649/453)



**COMPARABLE VACANT LAND SALE NO. H-45 (715-585)**

**LOCATION:** The site is located along the southeast corner of Berner Road and Caribbean Avenue, within the city of Clewiston, FL.

**BRIEF LEGAL DESCRIPTION:** A lengthy legal description of a parcel of land located in Section 9, Twp. 43S, Rge. 34E, Hendry County, FL.

**GRANTOR:** Luan B. Walker, et al

**GRANTEE:** Lennar Homes, Inc.

**LAND SIZE:** 7.75± Acres

**PROPERTY TYPE:** Vacant land.

**O.R. BOOK/PAGE:** 715-585

**ZONING/LAND USE:** "R-3", Multiple Family Residential District/"Multi-Family" – Other (City of Clewiston)

**PROPERTY DATA:** The property was purchased for the subsequent development of Sweet Lake Villas. The parcel was approved for 80 multi-family homes, of which 20 have been constructed as of August 2008.

**SALES PRICE:** \$1,000,000.

**PRICE/UNIT:** \$129,032/Acre

**TERMS:** Cash to the seller.

**VERIFICATION:** By John D. Osgood, Associate Appraiser, with Ms. Luan Walker (grantor) on August 6, 2008.

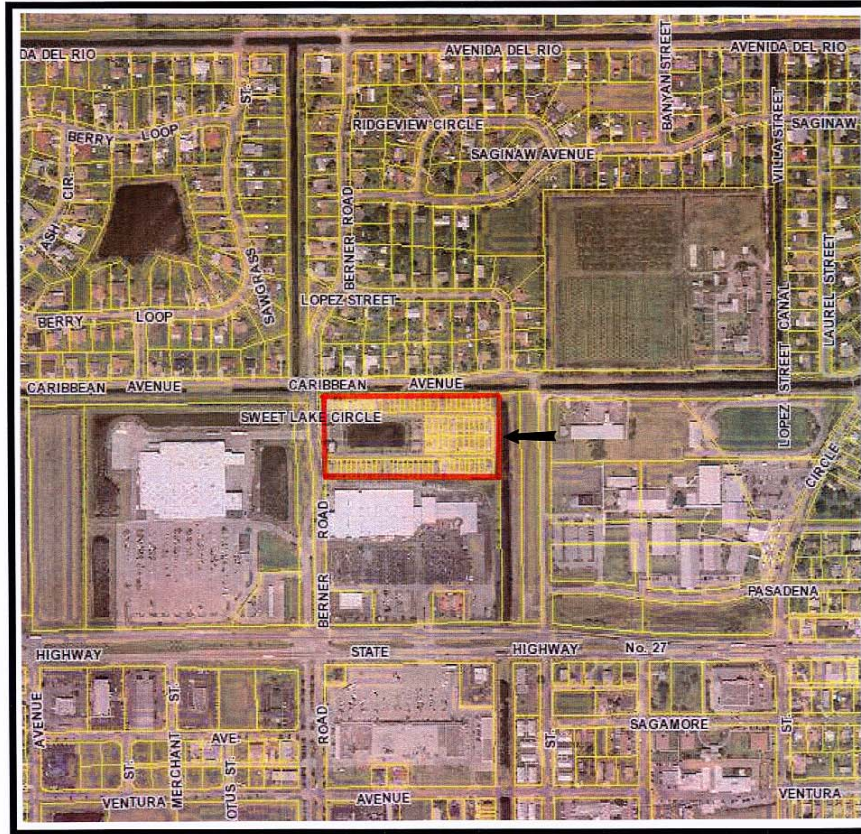
**CONDITIONS OF SALE:** Arm's length transaction.

**DATE (OF TRANSACTION):** August 25, 2005

**PRESENT USE:** Sweet Lake Villas

**HIGHEST AND BEST USE:** Multi-family development.

**COMPARABLE VACANT LAND SALE NO. H-45 (715-585)**



**INDUSTRIAL/COMMERCIAL  
LAND SALES**

## TRANSITIONAL SALES SUMMARY COMMERCIAL INDUSTRIAL

SALE #	Sale Date	Sale Price	Size Ac	Price/Ac	County	Grantor	Grantee
H-52	11/23/2005	\$13,882,800	277.07	\$50,106	HENDRY	ALICO INC	DUKE GROVE,LLC
H-49	7/6/2005	\$1,261,700	140.00	\$9,012	HENDRY	BETTY JEAN LEE	WEEKLEY BROS. LEASING
H-12	1/12/2007	\$1,428,500	33.70	\$42,389	HENDRY	USSC	CITY OF CLEWISTON
PB-70	5/18/2006	\$1,100,000	31.88	\$34,504	PALM BEACH	CHESTER H. MULLIS	GENARO PRODUCE INC.
H-37	11/30/2007	\$1,159,400	21.10	\$54,948	HENDRY	USSC	KNAPHEIDE TRUCK EQUIP
H-56	8/30/2005	\$216,000	6.17	\$35,008	HENDRY	USSC	DARRK LLC
H-43	6/2/2008	\$737,500	5.90	\$125,000	HENDRY	CITY OF CLEWISTON	BUCHANAN

**COMPARABLE TRANSITIONAL LAND SALE NO. H-52 (722-450)**

**LOCATION:** The site is located along the southeast corner of SR 29 and Helms Road, and approximately 2 miles southerly of SR 80.

**BRIEF LEGAL DESCRIPTION:** A lengthy legal description of a parcel of land located in Section 21, Twp. 43S, Rge. 29E, Hendry Co., FL

**GRANTOR:** Alico, Inc.

**GRANTEE:** Duke Grove, LLC

**LAND SIZE:** 277.07± Acres

**PROPERTY TYPE:** Citrus grove

**O.R. BOOK/PAGE:** 722/450

**ZONING/LAND USE:** "A-2", Agricultural/"Agricultural" (Hendry Co.)

**PROPERTY DATA:** The site was improved with a citrus grove at the time of sale. A fruit crop for the 2005-2006 season was not included in the sale.

**SALES PRICE:** \$13,882,800.

**PRICE/UNIT:** \$50,105/Acre

**TERMS:** Cash to the seller.

**VERIFICATION:** By John D. Osgood, Associate Appraiser, with office of Mr. Tom Woodyard (representative of grantee) on August 13, 2008.

**CONDITIONS OF SALE:** Arm's length transaction.

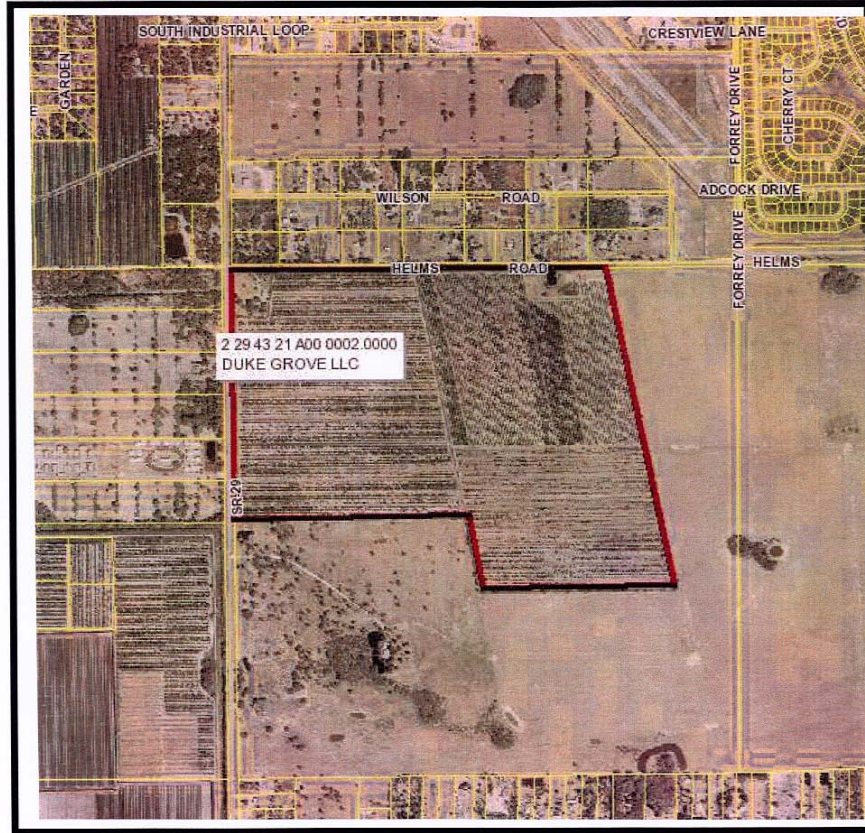
**DATE (OF TRANSACTION):** November 23, 2005

**PRESENT USE:** Citrus Grove

**HIGHEST AND BEST USE:** Mixed-Use Development

**COMMENT:** The subject property owner has filed a Comprehensive Land Use Plan amendment to allow for 850 residential dwelling units, 90,000 SF of professional office space, 190,000 SF of commercial retail space, and 628,353 SF of industrial space. The application for the amendment has been submitted, however, no action has been taken by Hendry County.

**COMPARABLE TRANSITIONAL LAND SALE NO. H-52 (722-450)**



**COMPARABLE TRANSITIONAL LAND SALE NO. H-49 (708-207)**

**LOCATION:** The site is located along the westerly right-of-way of CR 835, lying approximately 2± miles southerly of Hookers Point Road.

**BRIEF LEGAL DESCRIPTION:** A lengthy legal description of a parcel of land located in Section 35, Twp. 43S, Rge. 34E, Hendry County, FL

**GRANTOR:** Betty Jean Lee, et al

**GRANTEE:** Weekley Brothers Leasing, Ltd.

**LAND SIZE:** 140± Acres

**PROPERTY TYPE:** Improved farmland.

**O.R. BOOK/PAGE:** 708-207

**ZONING/LAND USE:** "Agriculture" (Hendry County) / "Agriculture" (Hendry County)

**PROPERTY DATA:** The property owners have filed a Comprehensive Plan Amendment with Hendry County to allow for "I-2", Heavy Industrial uses. The adjacent Everglades Sugar Refinery was purchased in March 2007.

**SALES PRICE:** \$1,261,700.

**PRICE/UNIT:** \$9,012/Acre

**TERMS:** Cash to the seller

**VERIFICATION:** By John D. Osgood, Associate Appraiser, with Ms. Cheryl Gutjahr (real estate broker) on August 7, 2008.

**CONDITIONS OF SALE:** Arm's length transaction

**DATE (OF TRANSACTION):** July 6, 2005

**PRESENT USE:** Crop land

**HIGHEST AND BEST USE:** Interim agricultural use in anticipation of industrial development or transitional use.

COMPARABLE TRANSITIONAL LAND SALE NO. H-49 (708-207)



**COMPARABLE VACANT LAND SALE NO. H-12 (757-318)**

**LOCATION:** The site is located at the southwest corner of South Olympia Street and West Aztec Avenue.

**BRIEF LEGAL DESCRIPTION:** A lengthy legal description of a parcel of land located in Section 16, Twp. 43S, Rge. 34E, Hendry County, FL.

**GRANTOR:** United States Sugar Corporation

**GRANTEE:** City of Clewiston, FL

**LAND SIZE:** 33.70± Acres

**PROPERTY TYPE:** Improved pasture

**O.R. BOOK/PAGE:** 757-318

**ZONING/LAND USE:** "I", Industrial (City of Clewiston) / "Industrial" (City of Clewiston)

**PROPERTY DATA:** The property has subsequently been developed with the City of Clewiston, Florida Commerce Park.

**SALES PRICE:** \$1,428,500.

**PRICE/UNIT:** \$42,388/Acre

**TERMS:** Cash to the seller.

**VERIFICATION:** By John D. Osgood, Associate Appraiser, with Mr. Edward Almeida, Representative of Grantor, on July 23, 2008

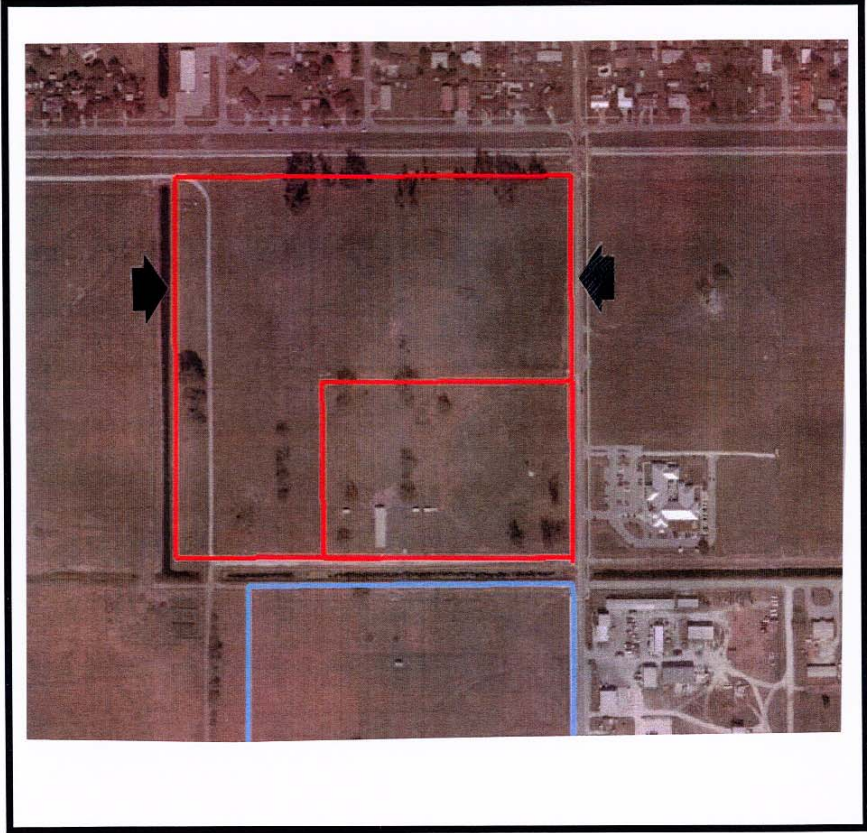
**CONDITIONS OF SALE:** Arm's length transaction.

**DATE (OF TRANSACTION):** January 12, 2007

**PRESENT USE:** Vacant land

**HIGHEST AND BEST USE:** Light industrial development

COMPARABLE VACANT LAND SALE NO. H- 12 (757-318)



**COMPARABLE TRANSITIONAL LAND SALE NO. PB-70**  
**(20411-1932)**

**LOCATION:** The site is located along the south side of Old US 27 (Corkscrew Boulevard), just east of the Miami Canal, between South Bay and Clewiston, Lake Harbor.

**BRIEF LEGAL DESCRIPTION:** A lengthy legal description of a parcel of land located in Section 2, Twp. 44S, Rge. 35E, Palm Beach County, FL

**GRANTOR:** Chester H. Mullis

**GRANTEE:** Genaro Produce Incorporated

**LAND SIZE:** 31.88± Acres

**PROPERTY TYPE:** Improved farmland

**O.R. BOOK/PAGE:** 20411/1932

**ZONING/LAND USE:** "IL", Light Industrial (Palm Beach County) / "I", Industrial (Palm Beach County)

**PROPERTY DATA:** The site is level and below road grade with internal canal and ditches.

**SALES PRICE:** \$1,100,000

**PRICE/UNIT:** \$34,504/Acre

**TERMS:** Cash to the seller

**VERIFICATION:** By Tim Holden (S.F. Holden, Inc) with Chester Mullis in December 2007.

**CONDITIONS OF SALE:** Arm's length transaction.

**DATE (OF TRANSACTION):** May 18, 2006

**PRESENT USE:** Aloe row crop production

**HIGHEST AND BEST USE:** Agriculture, with long-term industrial development potential.

COMPARABLE TRANSITIONAL LAND SALE NO. PB-70 (20411-1932)



**COMPARABLE VACANT LAND SALE NO. H-37 (778/1350)**

**LOCATION:** The site is located at the SW corner of Olympia Avenue and Arroyo Avenue.

**BRIEF LEGAL DESCRIPTION:** A lengthy legal description of a parcel of land located in Section 16, Twp. 43S, Rge. 34E, City of Clewiston, Hendry County, FL

**GRANTOR:** United States Sugar Corporation

**GRANTEE:** Knapheide Truck Equipment Company Southeast

**LAND SIZE:** 21.1± Acres

**PROPERTY TYPE:** Improved pasture

**O.R. BOOK/PAGE:** 778/1350

**ZONING/LAND USE:** "I", Industrial (City of Clewiston) / "Industrial" (City of Clewiston)

**PROPERTY DATA:** The site appears to be 100% upland.

**SALES PRICE:** \$1,159,400.

**PRICE/UNIT:** \$54,947/Acre

**TERMS:** Cash to the seller.

**VERIFICATION:** By John D. Osgood, Associate Appraiser, with Mr. Edward Almeida, representative of grantor, on July 23, 2008.

**CONDITIONS OF SALE:** Arm's length transaction.

**DATE (OF TRANSACTION):** November 30, 2007

**PRESENT USE:** Development of site has commenced as of August 2008.

**HIGHEST AND BEST USE:** Light industrial development

COMPARABLE VACANT LAND SALE NO. H-37 (778/1350)



**COMPARABLE TRANSITIONAL LAND SALE NO. H-56 (714/273)**

**LOCATION:** The site is located along the eastern side of South Francisco Street, lying across from the Seminole Manor Mobile Home Subdivision.

**BRIEF LEGAL DESCRIPTION:** A lengthy legal description of a parcel of land located in Section 15, Twp. 43S, Rge. 34E, Hendry County, FL

**GRANTOR:** United States Sugar Corporation

**GRANTEE:** DARRK, LLC

**LAND SIZE:** 6.17± Acres

**PROPERTY TYPE:** Improved pasture

**O.R. BOOK/PAGE:** 714/273

**ZONING/LAND USE:** "I", Industrial (City of Clewiston) / "Industrial" (City of Clewiston)

**PROPERTY DATA:** The site is level and at road grade with Francisco Street, and appears to be upland in nature.

**SALES PRICE:** \$216,000

**PRICE/UNIT:** \$35,008/Acre

**TERMS:** Cash to the seller

**VERIFICATION:** By John D. Osgood, Associate Appraiser, with Mr. Edward Almeida (representative of grantor) on July 23, 2008 and by Dawn Roberts, S.F. Holden, Inc., with Mr. Lowell Hughes (representative of grantor).

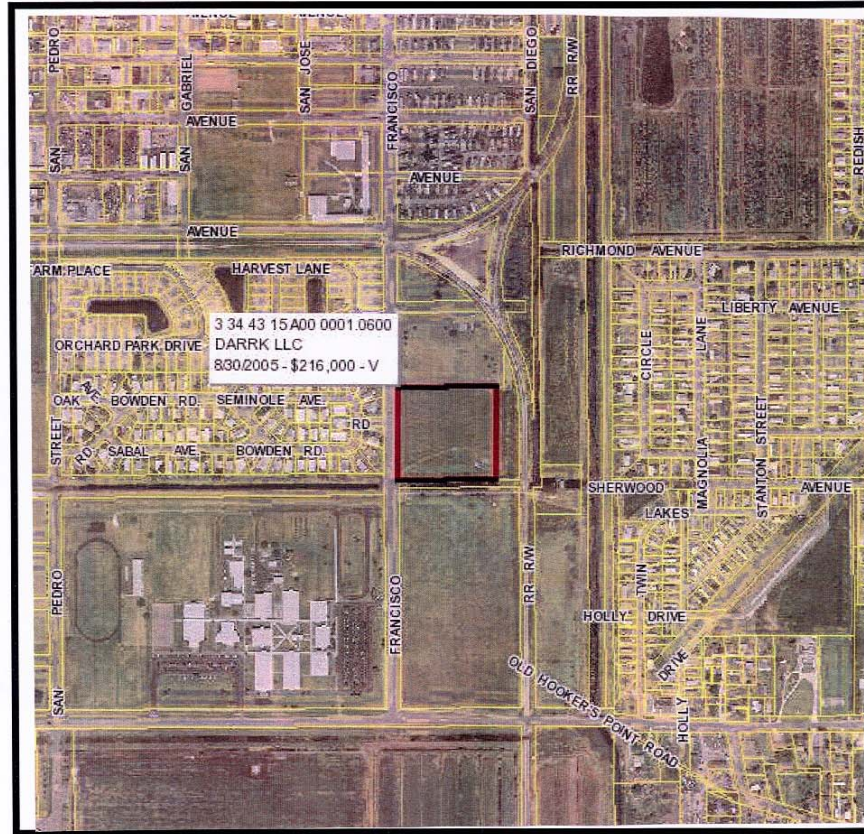
**CONDITIONS OF SALE:** Arm's length transaction.

**DATE (OF TRANSACTION):** August 30, 2005

**PRESENT USE:** Pastureland

**HIGHEST AND BEST USE:** Industrial development.

**COMPARABLE TRANSITIONAL LAND SALE NO. H-56 (714/273)**



**COMPARABLE VACANT LAND SALE NO. H-43 (788-283)**

**LOCATION:** The site is located along the southerly right-of-way of Aztec Avenue, lying just westerly of Olympia Street.

**BRIEF LEGAL DESCRIPTION:** Lot 5, Clewiston Commerce Park, as recorded in PB 6, Pages 207-208, lying in Section 16, Twp. 43S, Rge. 34E, Hendry County, FL

**GRANTOR:** City of Clewiston, FL

**GRANTEE:** Frank Buchanan

**LAND SIZE:** 5.9± Acres

**PROPERTY TYPE:** Vacant land.

**O.R. BOOK/PAGE:** 788-283

**ZONING/LAND USE:** "I", Industrial (City of Clewiston) / "Industrial" (City of Clewiston)

**PROPERTY DATA:** The site represents the first private acquisition within the City of Clewiston Commerce Park. The site was purchased for light industrial and corporate offices.

**SALES PRICE:** \$737,500.

**PRICE/UNIT:** \$125,000/Acre

**TERMS:** Mortgage in favor of City of Clewiston for \$337,500.

**VERIFICATION:** By John D. Osgood, Associate Appraiser, with Mr. Wendell Johnson (City Manager of Clewiston), on August 5, 2008.

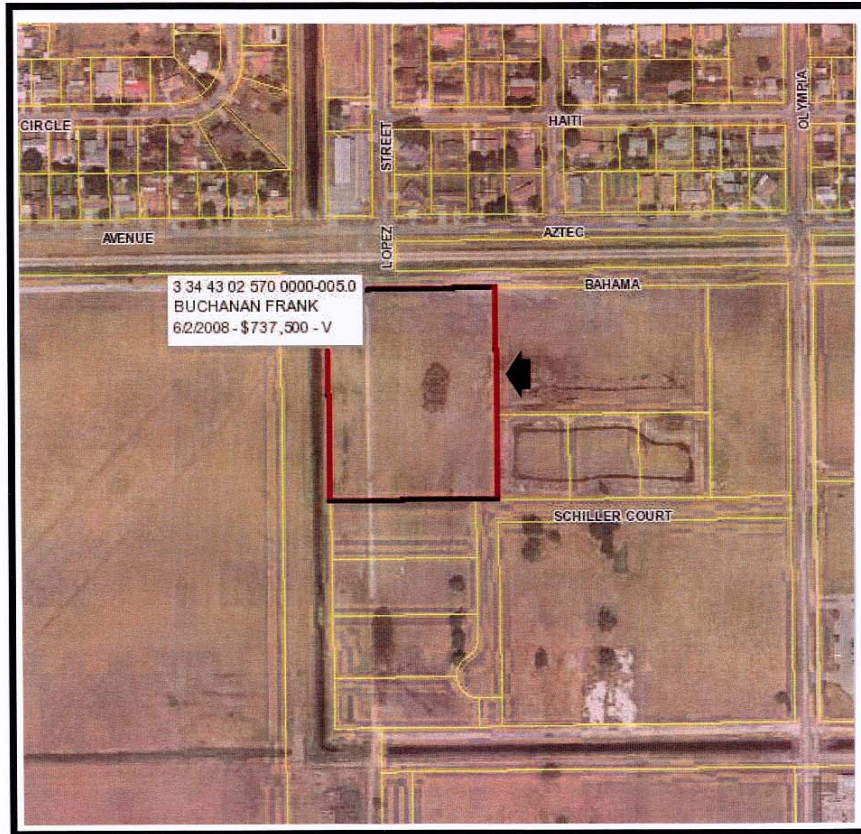
**CONDITIONS OF SALE:** Arm's length transaction.

**DATE (OF TRANSACTION):** June 2, 2008

**PRESENT USE:** Vacant land.

**HIGHEST AND BEST USE:** Light industrial development.

**COMPARABLE VACANT LAND SALE NO. H-43 (788-283)**



**LOW UTILITY LAND SALES**

## TRANSITIONAL SALES SUMMARY LOW UTILITY PROPERTIES

SALE #	Sale Date	Sale Price	Size Ac	Price/Ac	County	Grantor	Grantee
S-3074	10/1/2004	\$1,095,000	401.92	\$2,724	SARASOTA	VENICE MINERALS & MINING	SARASOTA CO
COL-67	12/12/2003	\$424,452	353.71	\$1,200	COLLIER	ALICO INC	MIROMAR LAKES LLC
PB-83	4/1/1996	\$82,500	160.00	\$516	PALM BEACH	FNB PROPERTIES	KAHLERT

**COMPARABLE VACANT LAND SALE NO. S-3074**

**LOCATION:** The site is located at the easterly terminus of Jean Green Road, lying just easterly of Haul Road.

**BRIEF LEGAL DESCRIPTION:** A lengthy legal description of a parcel of land located in Sections 22 and 23, Twp. 38S, Rge. 19E, Sarasota County, FL.

**GRANTOR:** Venice Minerals & Mining, L.L.C.

**GRANTEE:** Sarasota County

**LAND SIZE:** 401.92± Acres

**PROPERTY TYPE:** Borrow Pit and Wetlands

**INSTRUMENT NO.:** 2004206843

**ZONING/LAND USE:** "OUE-1", Open Use Estates District/Rural (Sarasota County).

**PROPERTY DATA:** The site consists of a borrow pit utilized as a sand mine operation.

**SALES PRICE:** \$1,095,000.

**PRICE/UNIT:** \$2,724/Acre

**TERMS:** Cash to the seller.

**VERIFICATION:** By E. Larry Sewell, MAI, with Mr. John Herrli, Representative of Grantee.

**CONDITIONS OF SALE:** Arm's length transaction.

**DATE (OF TRANSACTION):** October 25, 2004

**PRESENT USE:** Mining (Short term mining lease expires October 2008).

**HIGHEST AND**

**BEST USE:**

Recreational

**COMPARABLE VACANT LAND SALE NO. S-3074**



**COMPARABLE VACANT LAND SALE NO. COL-67 (3553/3507)**

**LOCATION:** The site is located approximately 1 mile southerly of the Hendry County-Collier County line and approximately 7 miles easterly of State Rd. 29.

**BRIEF LEGAL DESCRIPTION:** A lengthy legal description of a parcel of land located in Section 10, Twp. 46S, Rge. 30E, Collier County, FL.

**GRANTOR:** Alico, Inc.

**GRANTEE:** Miromar Lakes, L.L.C.

**LAND SIZE:** 353.71± Acres

**PROPERTY TYPE:** Wetlands

**O.R. BOOK/PAGE:** 3553/3507

**ZONING/LAND USE:** "A-MHO"/Agricultural Rural Mixed-Use

**PROPERTY DATA:** The site consists of wetlands with isolated uplands and a slough area. The site was purchased for wetland mitigation purposes.

**SALES PRICE:** \$424,452.

**PRICE/UNIT:** \$1,200/Acre

**TERMS:** Cash to the seller.

**VERIFICATION:** By John D. Osgood with Confidential Sources and the Public Records of Collier County, FL.

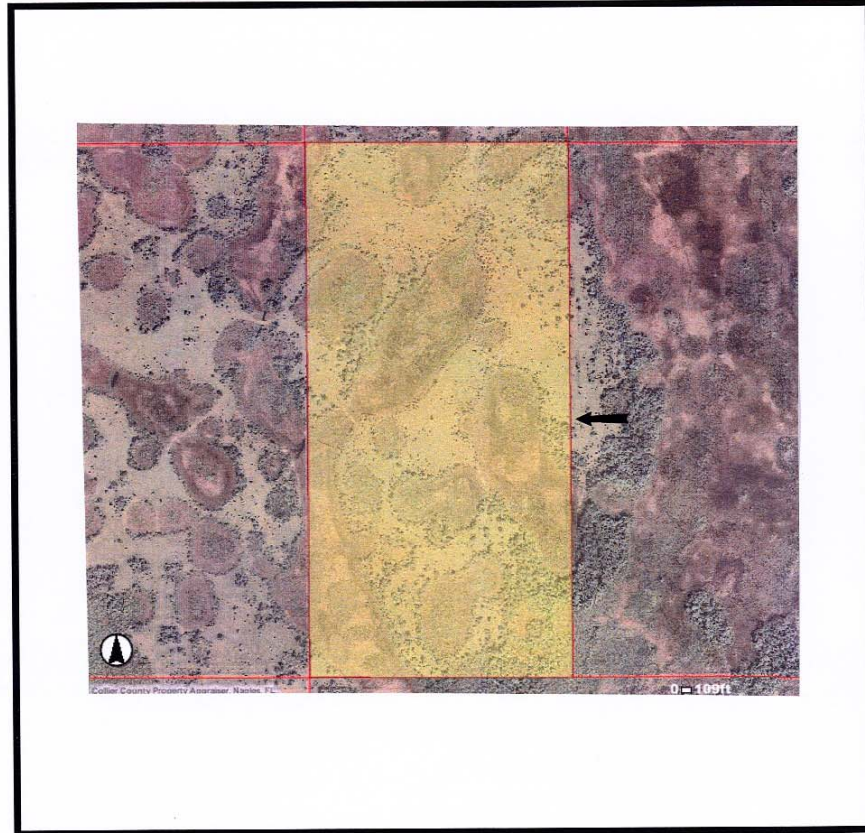
**CONDITIONS OF SALE:** Arm's length transaction.

**DATE (OF TRANSACTION):** December 12, 2003 (Recorded May 3, 2004)

**PRESENT USE:** Passive

**HIGHEST AND BEST USE:** Wetland Mitigation and/or Recreational.

COMPARABLE VACANT LAND SALE NO. COL-67 (3553/3507)



**COMPARABLE TRANSITIONAL LAND SALE NO. PB-83**  
**(9209/730)**

**LOCATION:** The site is located along the Martin County-Palm Beach County line, lying approximately 1 mile easterly of U.S. Hwy. 441.

**BRIEF LEGAL DESCRIPTION:** A lengthy legal description of a parcel of land located in Section 36, Twp. 40S, Rge. 37E, Palm Beach County, FL.

**GRANTOR:** FNB Properties, Inc.

**GRANTEE:** Karl A. Kahlert, et al

**LAND SIZE:** 160± Acres

**PROPERTY TYPE:** Borrow Pit and Wetlands

**O.R. BOOK/PAGE:** 9209/730, 733 and 9222/1747

**ZONING/LAND USE:** "AP", Agricultural Production / "AP", Agricultural Production.

**PROPERTY DATA:** The site consists of a former borrow pit.

**SALES PRICE:** \$82,500

**PRICE/UNIT:** \$515/Acre

**TERMS:** Cash to the seller.

**VERIFICATION:** By John D. Osgood, Associate Appraiser, with Mr. Karl A. Kahlert, Representative of Grantee.

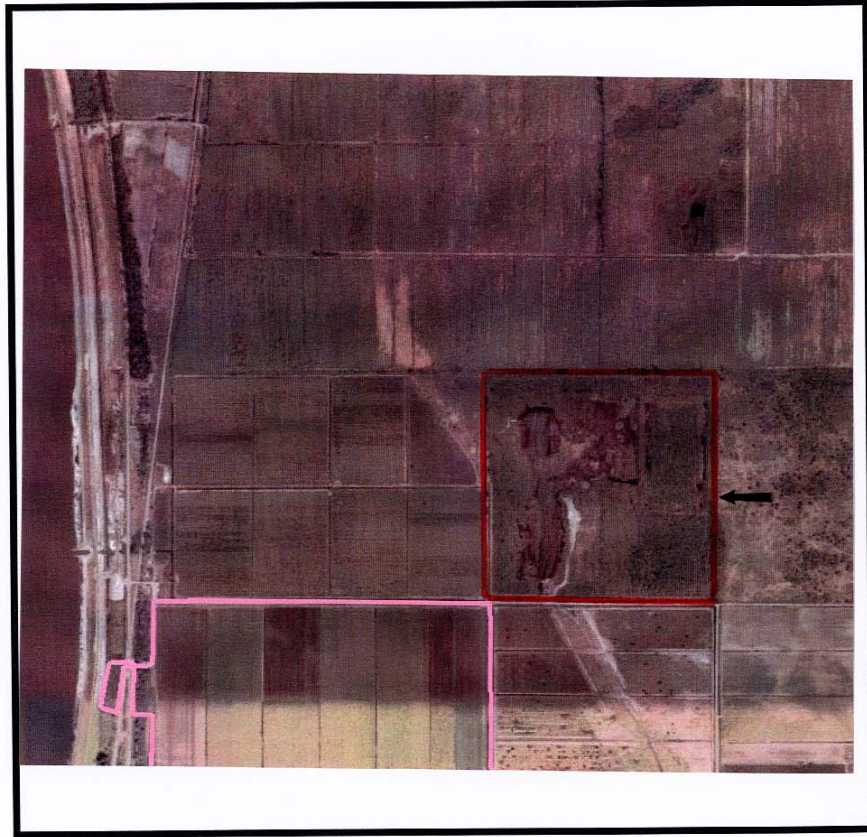
**CONDITIONS OF SALE:** Arm's length transaction

**DATE (OF TRANSACTION):** April 1, 1996

**PRESENT USE:** Passive

**HIGHEST AND BEST USE:** Recreational and/or wetland mitigation.

COMPARABLE TRANSITIONAL LAND SALE NO. PB-83 (9209/730)



**ROCK MINE SALES**

## TRANSITIONAL SALES SUMMARY ROCK AND EXCAVATION

SALE #	Sale Date	Sale Price	Size Ac	Price/Ac	County	Grantor	Grantee
LEE-1	9/14/2005	\$33,200,000	1,365.50	\$24,313	LEE CO	RESOURCE CONS PROP	RESOURCE CONSERVATION HLDG
PB-69	9/3/2003	\$1,906,660	376.00	\$5,071	PALM BEACH	COUSE	FIVE SMOOTH STONES
G-2	5-22-2006	\$10,560,000	526.34	\$20,063	GLADES	BRONSON	ALICO INC
M-56	4/19/2005	\$13,013,700	1,032.00	\$12,610	MARTIN	TRUCANE SUGAR	LAKE POINT,LLC
M-56A	1/3/2008	\$30,000,100	1,033.00	\$29,042	MARTIN	LAKE POINT LLC	LAKE POINT PHASE 1 LLC
PB-255	11/15/2000	\$15,098,550	1,006.57	\$15,000	PALM BEACH	NEW HOPE SUGAR+	PALM BEACH AGGREGATES

**COMPARABLE TRANSITIONAL LAND SALE NO. LEE-1 (2005000078253)**

**LOCATION:** The site is located along the northerly right-of-way of Corkscrew Road, lying approximately 1.5± miles easterly of Alico Road.

**BRIEF LEGAL DESCRIPTION:** A lengthy legal description of a parcel of land located in Section 19, Twp. 46S, Rge. 27E and Sections 23 and 24, Twp. 46S, Rge. 26E, Lee County, FL.

**GRANTOR:** Resource Conservation Properties, Inc.

**GRANTEE:** Resource Conservation Holdings, LLC

**LAND SIZE:** 1,365.50± Acres

**PROPERTY TYPE:** Improved pasture

**O.R. BOOK/PAGE:** 2005000078253

**ZONING/LAND USE:** "AG-2", Agricultural / "DR/GR", with Recreational Overlay, Wetlands (Lee County).

**PROPERTY DATA:** The site was purchased in anticipation of mining. Grantee applied for rezoning to "IPD", Industrial Planned Development after the date of sale.

**SALES PRICE:** \$33,200,000

**PRICE/UNIT:** \$24,313/Gross Acre

**TERMS:** Cash to the seller

**VERIFICATION:** By John D. Osgood, Associate Appraiser, with Mr. Dennis Church, Representative of Grantor, September 9, 2008.

**CONDITIONS OF SALE:** Arm's length transaction

**DATE (OF TRANSACTION):** September 14, 2005

**PRESENT USE:** Pastureland

**HIGHEST AND BEST USE:** Limerock mining

COMPARABLE VACANT LAND SALE NO. LEE-1 (2005000078253)



**COMPARABLE VACANT LAND SALE NO. PB-69 (15944/0719)**

**LOCATION:** The site is located approximately 2± miles southerly of SR 76 and 1± mile easterly of US 441/US 98 (SR 15).

**BRIEF LEGAL DESCRIPTION:** A lengthy legal description of a parcel of land located in Sections 35 and 36, Twp. 40S, Rge. 37E, Palm Beach County, FL

**GRANTOR:** Miller Couse, et al

**GRANTEE:** Five Smooth Stones, Inc.

**LAND SIZE:** 376± Acres

**PROPERTY TYPE:** Improved farmland.

**O.R. BOOK/PAGE:** 15944/0719

**ZONING/LAND USE:** "AP", Agricultural Production / "AP", Agricultural Production

**PROPERTY DATA:** Approximately 121± acres of this site was approved for Type IIIA excavation on November 18, 2004.

**SALES PRICE:** \$1,906,660.

**PRICE/UNIT:** \$5,070/Acre

**TERMS:** Cash to the seller.

**VERIFICATION:** By John D. Osgood, Associate Appraiser, with Mr. David McGahee (grantee) on August 8, 2008.

**CONDITIONS OF SALE:** Arm's length transaction.

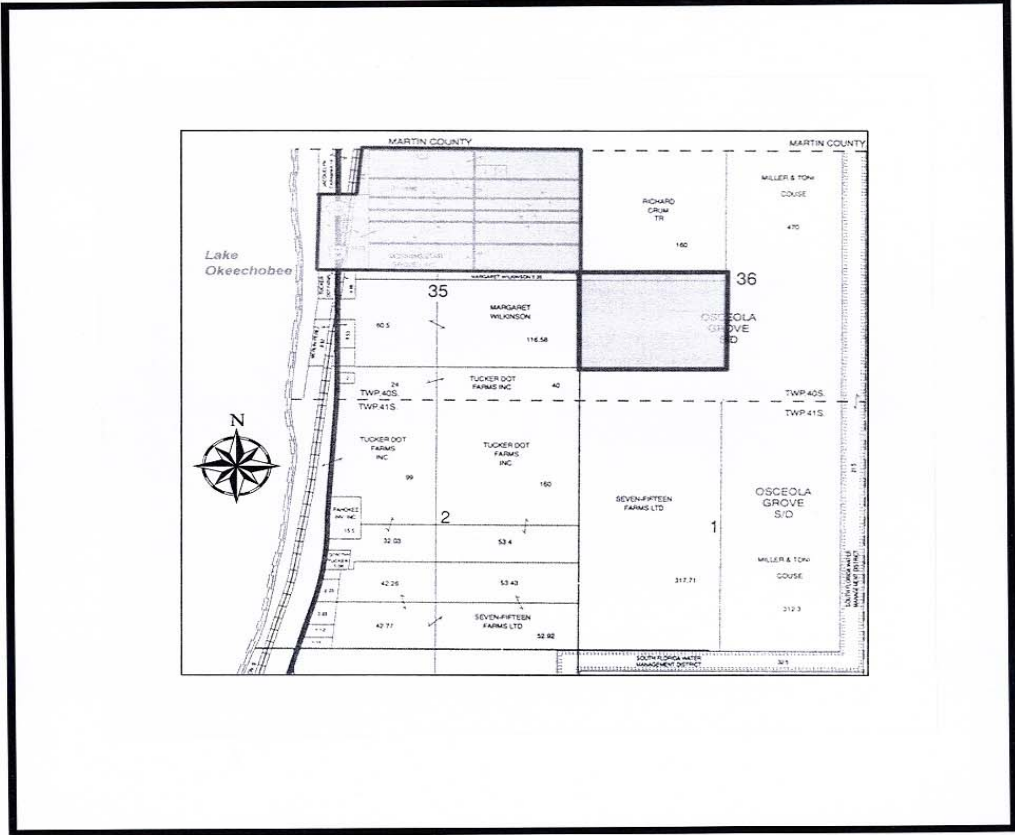
**DATE (OF TRANSACTION):** September 4, 2003

**PRESENT USE:** Tree farm.

**HIGHEST AND BEST USE:** Aggregate Extraction/Lime Rock Mining

**COMMENTS:** After the date of sale, approximately 1,800,000 cubic yards were approved for excavation purposes. The site has frontage along the FEC railroad corridor.

**COMPARABLE VACANT LAND SALE NO. PB-69 (15944/0719)**



**COMPARABLE VACANT LAND SALE NO. G-2 (252/999)**

**LOCATION:** The site is located 4.5 miles southwesterly of Moore Haven and 1.5 miles southerly of US 27 in southeastern Glades County. The site has frontage along the northern side of the Caloosahatchee River.

**BRIEF LEGAL DESCRIPTION:** A lengthy legal description of a parcel of land located in Sections 24 and 25, Twp. 42S, Rge. 31E, Glades County, FL

**GRANTOR:** Stanley T. Bronson, individually and as trustee.

**GRANTEE:** Alico, Inc.

**LAND SIZE:** 526.34 Acres

**PROPERTY TYPE:** Mining, crop land, pasture.

**O.R. BOOK/PAGE:** 252/999

**ZONING/LAND USE:** "Open Use Agriculture" / "Agricultural/Open" (Glades County)

**PROPERTY DATA:** The property has approximately 0.3± mile of frontage along the northern side of the Caloosahatchee River. The parcel was accessed via Bronson Road and Little H Street, which extends southerly from US 27.

**SALES PRICE:** \$10,560,000.

**PRICE/UNIT:** \$20,063/Acre

**TERMS:** Cash to the seller.

**VERIFICATION:** By Dawn R. Roberts with Susan Brown, Grantee Representative, in May 2007.

**CONDITIONS OF SALE:** Arm's length transaction.

**DATE (OF TRANSACTION):** May 22, 2006

**PRESENT USE:** Mining, cropland, pasture.

**HIGHEST AND BEST USE:** Limerock and sand mining, with long-term rural residential development.

**COMPARABLE VACANT LAND SALE NO. G-2 (252/999)**



**COMPARABLE VACANT LAND SALE NO. M-56 (2005/1041)**

**LOCATION:** The site is located along the southerly right-of-way of SR 76 and along the east side of the FEC Railroad, lying approximately 1 mile easterly US Hwy. 98.

**BRIEF LEGAL DESCRIPTION:** A lengthy legal description of a parcel of land located in Sections 13, 14, 23 and 24, Twp. 40S, Rge. 37E, Martin County, FL

**GRANTOR:** Trucane Sugar Corporation

**GRANTEE:** Lake Point, LLC

**LAND SIZE:** 1,032± Acres

**PROPERTY TYPE:** Farmland

**O.R. BOOK/PAGE:** 2005/1041

**ZONING/LAND USE:** "A-2", Agricultural/Agriculture (Martin County)

**PROPERTY DATA:** The primary soils consist of Waveland and Floridana Fine Sand, Depressional.

**SALES PRICE:** \$13,013,700.

**PRICE/UNIT:** \$12,610/Acre

**TERMS:** Cash to the seller.

**VERIFICATION:** By Sharon L. Morgan with Ernesto Vilar (Grantor) on October 11, 2004.

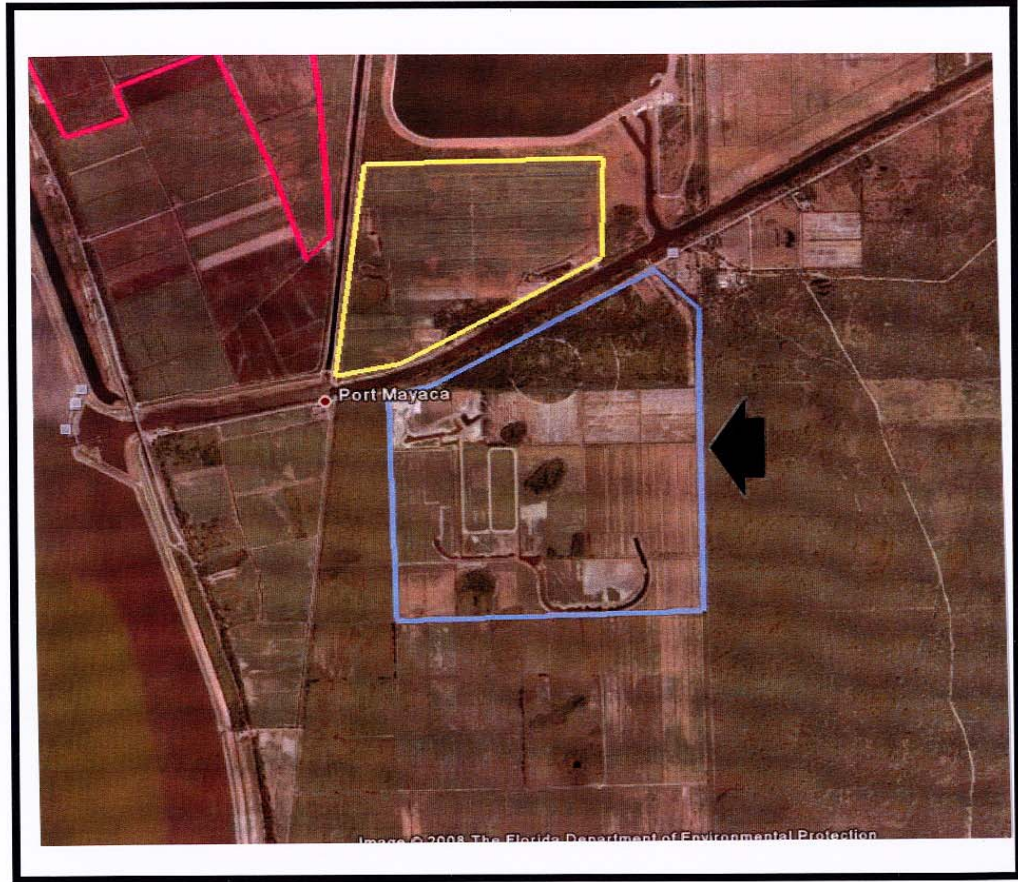
**CONDITIONS OF SALE:** Arm's length transaction.

**DATE (OF TRANSACTION):** April 19, 2005

**PRESENT USE:** Lime Rock Mining and Farmland.

**HIGHEST AND BEST USE:** Lime Rock Mining.

**COMPARABLE VACANT LAND SALE NO. M-56 (2005/1041)**



**COMPARABLE VACANT LAND SALE NO. M-56A (2301-1221&1227)**

**LOCATION:** The site is located on the south side of SR 76 and the St. Lucie Canal, on the east side of FEC Railroad, 1 mile east of Lake Okeechobee in western Martin County, FL.

**BRIEF LEGAL DESCRIPTION:** A lengthy legal description of a parcel of land located in Sections 13, 14, 23 and 24, Twp. 40S, Rge. 37E, Martin County, FL.

**GRANTOR:** Lake Point, LLC

**GRANTEE:** Lake Point Phase 1, LLC

**LAND SIZE:** 1,032± Acres

**PROPERTY TYPE:** Limerock mining land

**O.R. BOOK/PAGE:** 2301/1221&1227

**ZONING/LAND USE:** "A-2", Agricultural/Agriculture (Martin County)

**PROPERTY DATA:** In May 2007, Martin County approved development of 40 residential lots and 4 polo fields. In December 2007, Martin County agreed to let 2,000,000 cubic yards of rock be mined on the parcel. In 2008, the parcel was approved for rock mining to a maximum depth of 20 feet for a maximum of 20 years.

**SALES PRICE:** \$30,000,100.

**PRICE/UNIT:** \$29,070/Acre

**TERMS:** Cash to the seller.

**VERIFICATION:** By Dawn R. Roberts with Brad Sherer (Atlantic-Western Real Estate Broker) on July 9, 2008.

**CONDITIONS OF SALE:** Arm's length transaction.

**DATE (OF TRANSACTION):** January 3, 2008

**PRESENT USE:** Limerock mining

**HIGHEST AND BEST USE:** Limerock mining

**COMPARABLE VACANT LAND SALE NO. M-56 (2005/1041)**



**COMPARABLE VACANT LAND SALE PB-255 [12139/1587 & 1594]**

**LOCATION:** The site is located approximately ¾ mile northerly of S. R. 80, lying approximately 3.5 miles westerly of Lion Country Safari Road.

**BRIEF LEGAL DESCRIPTION:** Lengthy legal description of a parcel of land located in Sec. 18, 19, & 30, Twp. 43S, Rge. 40E & Sec. 13, Twp. 43S, Rge. 39E, Palm Beach County, FL.

**GRANTOR:** New Hope Sugar Company and West Side Farms

**GRANTEE:** Palm Beach Aggregates, Inc.

**LAND SIZE:** 1,006.57± Acres

**PROPERTY TYPE:** Improved farmland

**O.R. BOOK/PAGE:** OR Book 12139/1587 & 1594

**ZONING/LAND USE:** "AP", Agriculture Production/"AP", Agriculture Production

**PROPERTY DATA:** The parcel is currently utilized for sugar cane production in anticipation of future limerock excavation.

**SALES PRICE:** \$15,098,550.

**PRICE/UNIT:** \$15,000/Gross Acre

**TERMS:** Cash to the seller and mortgage in favor of Florida Crystals Corporation for \$4,540,350. Verified to have no effect on sales price.

**VERIFICATION:** By E. Larry Sewell, MAI with Enrique Tomeu (Representative of Grantee).

**CONDITIONS OF SALE:** Arm's-length transaction

**DATE (OF TRANSACTION):** November 15, 2000

**PRESENT USE:** Sugarcane production

**HIGHEST AND BEST USE:** Limerock excavation

**COMPARABLE VACANT LAND SALE PB-255 [12139/1587 & 1594]**



**AGRICULTURAL LAND SALES**

**COMPARABLE TRANSITIONAL LAND SALE NO. H-27 (670-894)**

**LOCATION:** The site is located 1± mile east of Flaghole Road and 4± miles south of US 27. (The site has no public road frontage, and is accessed via Pine Lane through Seven K Estates residential subdivision.)

**BRIEF LEGAL DESCRIPTION:** A lengthy legal description of a parcel of land located in Sec. 3 and 4, Twp. 44S, Rge. 33E, Hendry Co. FL

**GRANTOR:** Beardsley Farms, Inc.

**GRANTEE:** Hilliard Brothers of Florida, Ltd.

**LAND SIZE:** 403.84± Acres

**PROPERTY TYPE:** Improved farmland

**O.R. BOOK/PAGE:** 670-894

**ZONING/LAND USE:** "A-2", Agriculture (Hendry County) / "Agriculture" (Hendry County)

**PROPERTY DATA:** The site is rectangular in shape, containing 403.84± acres, all usable for sugarcane, producing approximately 35 tons per acre. The site has interior roads and drainage canals typical of sugarcane land. The site is bordered on the south and north by drainage canals, to the west by Seven K Estates residential subdivision, and to the east by other sugarcane land.

**SALES PRICE:** \$1,432,900

**PRICE/UNIT:** \$3,548/Gross Acre

**TERMS:** Cash to the seller.

**VERIFICATION:** By Sharon L. Morgan with John Yaun, Esq. on November 20, 2004.

**CONDITIONS OF SALE:** Arm's length transaction

**DATE (OF TRANSACTION):** March 31, 2004

**PRESENT USE:** Sugarcane production

**HIGHEST AND BEST USE:** Agriculture, future low-density residential development

COMPARABLE TRANSITIONAL LAND SALE NO. H-27 (670-894)



**COMPARABLE VACANT LAND SALE NO. H-31 (730/1016)**

**LOCATION:** The site is located along the west side of Blumberg Road, 13 miles south of Clewiston, 1 mile west of the Hendry/Palm Beach County line.

**BRIEF LEGAL DESCRIPTION:** A lengthy legal description of a parcel of land located in Sections 22, 27 and 34, Twp. 45S, Rge. 34E; and Sections 3 and 10, Twp. 46S, Rge. 34E, Hendry County, FL

**GRANTOR:** Knight Agriculture, LLLP

**GRANTEE:** United States Sugar Real Property Exchange, LLC

**LAND SIZE:** 3,208 Acres

**PROPERTY TYPE:** Improved farmland.

**O.R. BOOK/PAGE:** 730/1016

**ZONING/LAND USE:** "A-2", Agricultural/Agriculture (Hendry County)

**PROPERTY DATA:** The site consists of Margate sand, Jupiter sand, Terra Ceia Muck and Oldsmar sand. The grantee had leased the property from Knight Agriculture for \$200/Acre, with the first right of refusal.

**SALES PRICE:** \$12,834,000.

**PRICE/UNIT:** \$4,000/Acre

**TERMS:** Cash to the seller.

**VERIFICATION:** By John D. Osgood with Mr. Steve Williams (representative of grantor) on August 1, 2008 and by Dawn R. Roberts with Lewell Hughes (USSC-Grantee Representative) on May 3, 2006.

**CONDITIONS OF SALE:** Arm's length transaction.

**DATE (OF TRANSACTION):** March 1, 2006

**PRESENT USE:** Farm land planted in sugar cane.

**HIGHEST AND BEST USE:** Agriculture.

COMPARABLE VACANT LAND SALE NO. H-31 (730/1016)



**COMPARABLE VACANT LAND SALE NO. G-1 (247/484)**

**LOCATION:** The two non-contiguous parcels are located on the southeast side of Lake Hickpochee, 1.5 miles west of US 27, and on the south side of CR 720, 1.5 miles east of US 27, south of Moore Haven.

**BRIEF LEGAL DESCRIPTION:** A lengthy legal description of a parcels of land located in Sections 26 and 35, Twp. 42S, Rge. 32E and Sections 19 and 30, Twp. 42S, Rge. 33E, Glades County, FL.

**GRANTOR:** Weeks Cattle Company

**GRANTEE:** US Sugar Corporation and SBG Farms

**LAND SIZE:** 460.96 Total Acres  
(298.84-Acre Benbow property on CR 720, including 1 acre with old house allocated separately) and 162.12-Acre Hickpochee property.)

**PROPERTY TYPE:** Improved farmland

**O.R. BOOK/PAGE:** 247/484

**ZONING/LAND USE:** "OUA", Open Use Agricultural (Glades County) / "Agricultural Open" (Glades County)

**PROPERTY DATA:** The sites consist of Sanibel muck, drained; Plantation muck, drained; and Terra Ceia muck, drained.

**SALES PRICE:** \$2,283,508.

**PRICE/UNIT:** \$4,954/Acre

**TERMS:** Cash to the seller.

**VERIFICATION:** By Philip M. Holden, MAI with Lewell Hughes (Grantee Representative), in March 2007.

**CONDITIONS OF SALE:** Arm's length transaction

**DATE (OF TRANSACTION):** December 16, 2005

**PRESENT USE:** Sugarcane

**HIGHEST AND BEST USE:** Agriculture

COMPARABLE VACANT LAND SALE NO. G-1 (247/484)



**COMPARABLE VACANT LAND SALE NO. PB 65**  
**(20549/1576,1580,1582,1584)**

**LOCATION:** The site is located on the S side of New Vandegrift-Williams Road, 1.5 miles E of Hatton Highway, 0.5 mile N of SR 80, and 8.5 miles E of Belle Glade.

**BRIEF LEGAL DESCRIPTION:** Lengthy legal description of a parcel of land located in the NE1/4 of Section 15, Twp. 43S, Rge. 38E, Palm Beach County, FL

**GRANTOR:** Carolyn Edmisten and Mary Sapp, Co-Personal Representatives of the Estate of Helen Davis Folk.

**GRANTEE:** H&A Farming & Leasing, LLC

**LAND SIZE:** 157 Acres

**PROPERTY TYPE:** Vacant land

**O.R. BOOK/PAGE:** 20549/1576,1580,1582,1584

**ZONING/LAND USE:** "AP", Agricultural Production/"Agricultural Production" (Palm Beach County)

**PROPERTY DATA:** The property consists of Terra Ceia muck and freshwater marshes and ponds. The site was purchased due to its proximity to existing ownership.

**SALES PRICE:** \$1,777,650

**PRICE/UNIT:** \$7,500/Acre

**TERMS:** Cash to the seller.

**VERIFICATION:** By John D. Osgood, Associate Appraiser, with confidential sources on August 8, 2008 and by Dawn R. Roberts with Roger Hatton, Grantee, in July 2006.

**CONDITIONS OF SALE:** Arm's length transaction

**DATE (OF TRANSACTION):** June 28, 2006

**PRESENT USE:** Sugarcane production

**HIGHEST AND BEST USE:** Agriculture

**COMPARABLE VACANT LAND SALE NO. PB 65**  
**(20549/1576,1580,1582,1584)**



**COMPARABLE VACANT LAND SALE NO. PB-68 (21928/0444)**

**LOCATION:** The site is located along the eastern side of US 98/441 (Connor's Highway), on the south side of Morningstar Farms Road, just south of the Martin County line, in northern Palm Beach County.

**BRIEF LEGAL DESCRIPTION:** A lengthy legal description of a parcel of land located in Section 35, Twp. 40S, Rge. 37E, Palm Beach County, FL.

**GRANTOR:** Margaret S. Wilkinson

**GRANTEE:** W. E. McKinstry, Inc.

**LAND SIZE:** 182.38 Acres

**PROPERTY TYPE:** Improved farmland

**O.R. BOOK/PAGE:** 21928/0444

**ZONING/LAND USE:** "AP", Agricultural Production/"AP", Agricultural Production (Palm Beach County)

**PROPERTY DATA:** The site consists of Torry muck and Okeelanta muck.

**SALES PRICE:** \$1,542,000.

**PRICE/UNIT:** \$8,455/Acre

**TERMS:** PMM in favor of grantor for \$1,350,000 at 6% interest, due and payable in 11 equal annual payments of \$45,000, plus interest for a period of 12 years.

**VERIFICATION:** By John D. Osgood, Associate Appraiser, with Mr. Billy McKinstry on August 25, 2008 and by Tim Holden (S.F. Holden, Inc.) with Ms. Wilkinson on December 1, 2007 and by Wynne Jones, ARA, with James Gann, Esq.

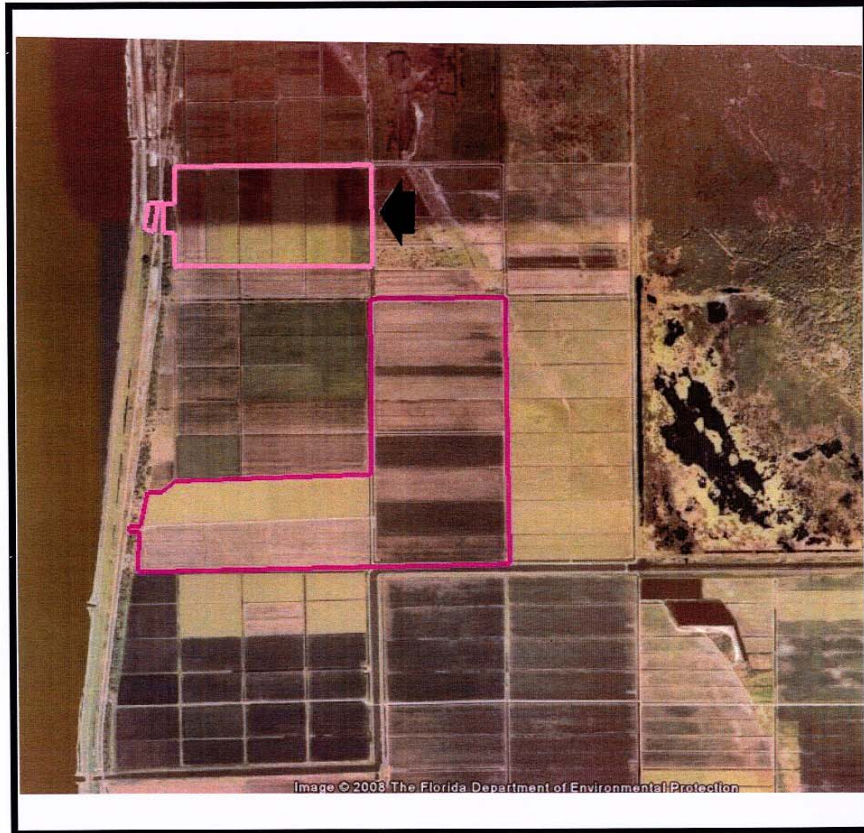
**CONDITIONS OF SALE:** Arm's length transaction.

**DATE (OF TRANSACTION):** July 5, 2007

**PRESENT USE:** Sugarcane/sweet corn

**HIGHEST AND BEST USE:** Agricultural

COMPARABLE VACANT LAND SALE NO. PB-68 (21928/0444)



**COMPARABLE VACANT LAND SALE NO. H-30 (702/1628&1640)**

**LOCATION:** The site is located along the west side of C.R. 833, approximately 12 miles north of I-75 (Alligator Alley), 24 miles southerly of Clewiston, and northerly of the Big Cypress Seminole Indian Reservation, in southeastern Hendry County, FL

**BRIEF LEGAL DESCRIPTION:** A lengthy legal description of a parcel of land located in Sections 21, 22, 27, 28, 33, 34 and 35, Twp. 47S, Rge. 33E, Hendry County, FL

**GRANTOR:** J. W. McDaniel, Sr., Inc.

**GRANTEE:** McDaniel Reserve Realty Holdings, LLC

**LAND SIZE:** 3,092.47 Gross Acres (first take down)  
Total: 21,500 Acres

**PROPERTY TYPE:** Improved pasture, semi-improved pasture and farmland.

**O.R. BOOK/PAGE:** 702/1628&1640

**ZONING/LAND USE:** "A-2", Agricultural (Hendry County)/Agricultural

**PROPERTY DATA:** The site is generally level, improved pasture with hammocks/cypress native areas. Improvements include farm buildings, cattle pens, pole barns and fencing.

**SALES PRICE:** Because of different ownership styles, 2 different transactions represent the first takedown of 3,092.47 acres:

	\$14,011,500.
	<u>\$1,496,000.</u>
Total for first takedown:	\$15,507,500.

**PRICE/UNIT:** \$5,015/Acre

**TERMS:** Cash to the seller.

**VERIFICATION:** By Dawn R. Roberts with Bobby McDaniel on 7/12/06 and by Philip M. Holden, MAI with Bobby McDaniel on 9/21/05.

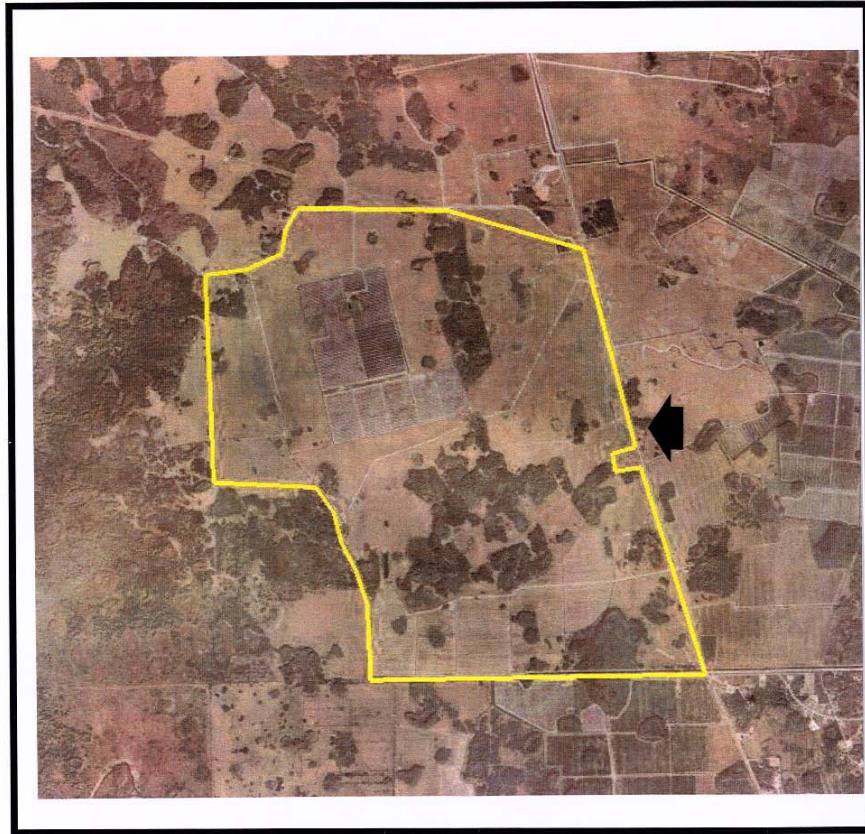
**CONDITIONS OF SALE:** Arm's length transaction. Property will be purchased with staged takedowns over 6 years with a 20% price increase per year applied to future sale. No additional takedowns have occurred as of August 2008.

**DATE (OF TRANSACTION):** May 16, 2005; Contracted August 2004

**PRESENT USE:** Cattle ranch.

**HIGHEST AND BEST USE:** Continued agriculture, cattle ranching, long-term rural residential development.

COMPARABLE VACANT LAND SALE NO. H-30 (702/1628&1640)



**COMPARABLE VACANT LAND SALE NO. PB 66 (20923/1556&1560)**

**LOCATION:** The site is located on the E side of Brown's Farm Road and the Hillsboro Canal, approximately 3 miles south of Six-Mile Bend, and 7 miles SE of Belle Glade.

**BRIEF LEGAL DESCRIPTION:** Lengthy legal description of a parcel of land located in Sections 33, 34, 35 and 36, Twp. 44S, Rge. 38E, lying E of the Hillsboro Canal, Palm Beach County, FL

**GRANTOR:** John O. and Eleanor Schlechter

**GRANTEE:** Gestion Pro Veg, Inc. & Cypress Land Holdings, Belle Glade, LLC

**LAND SIZE:** 641.99 Acres (Gestion)  
1,276.05 Acres (Cypress Land Holdings)  
1,918.04 Acres Total

**PROPERTY TYPE:** Improved farmland.

**O.R. BOOK/PAGE:** 20923/1556&1560

**ZONING/LAND USE:** "AP", Agriculture Production/"AP", Agriculture Production (Palm Beach County)

**PROPERTY DATA:** The site consists of Pahokee muck, Terra Ceia muck and freshwater marshes and ponds. The cane was producing 45-50 tons per acre. The muck ranged in depth from 2-4 feet. Additional consideration of \$1,000,000 was paid for the sod inventory. The land was converted for vegetable and leaf lettuce production after the date of sale.

**SALES PRICE:** \$4,907,551. (Gestion)  
\$9,751,460. (Cypress Land Holdings)  
\$14,659,011. Total Sales Price

**PRICE/UNIT:** \$7,643/Acre

**TERMS:** Cash to the seller.

**VERIFICATION:** By John D. Osgood, Associate Appraiser, with Mr. Mike Schlechter (representative of the grantor) on August 8, 2008 and with Mr. Steve Kauffman (representative of grantee, Cypress Land Holdings) on August 11, 2008.

**CONDITIONS OF SALE:** Arm's length transaction.

**DATE (OF TRANSACTION):** September 29, 2006

**PRESENT USE:** Vegetable and leaf lettuce production.

**HIGHEST AND BEST USE:** Agriculture.

COMPARABLE VACANT LAND SALE NO. PB 66 (20923/1556&1560)



**COMPARABLE VACANT LAND SALE NO. H-35 (754/1439)**

**LOCATION:** The site is located along the W side of Blumberg Road, 1 mile S of CR 835, 8.5 miles S of Clewiston, 2 miles W of the Hendry/Palm Beach County line.

**BRIEF LEGAL DESCRIPTION:** A lengthy legal description of a parcel of land located in Section 3, Twp. 45S, Rge. 34E, Hendry County, FL

**GRANTOR:** J&J AG Products, Inc.

**GRANTEE:** Sunrise Sod, Inc.

**LAND SIZE:** 319.58 Acres

**PROPERTY TYPE:** Improved farmland

**O.R. BOOK/PAGE:** 754/1439

**ZONING/LAND USE:** "A-2", Agriculture (Hendry County) / "Agriculture" (Hendry County)

**PROPERTY DATA:** The site consists of Margate sand and Plantation muck, featuring slough areas and freshwater marshes and ponds.

**SALES PRICE:** \$2,000,000

**PRICE/UNIT:** \$6,258/Acre

**TERMS:** Grantor took back a \$1,688,000 mortgage, 15-yr term at variable rate and \$100,000 PMM at 0% interest. Collateral on both includes another property. No effect on sale price.

**VERIFICATION:** By Sharon L. Morgan with Marcos Rodriguez (Grantee) on February 15, 2007.

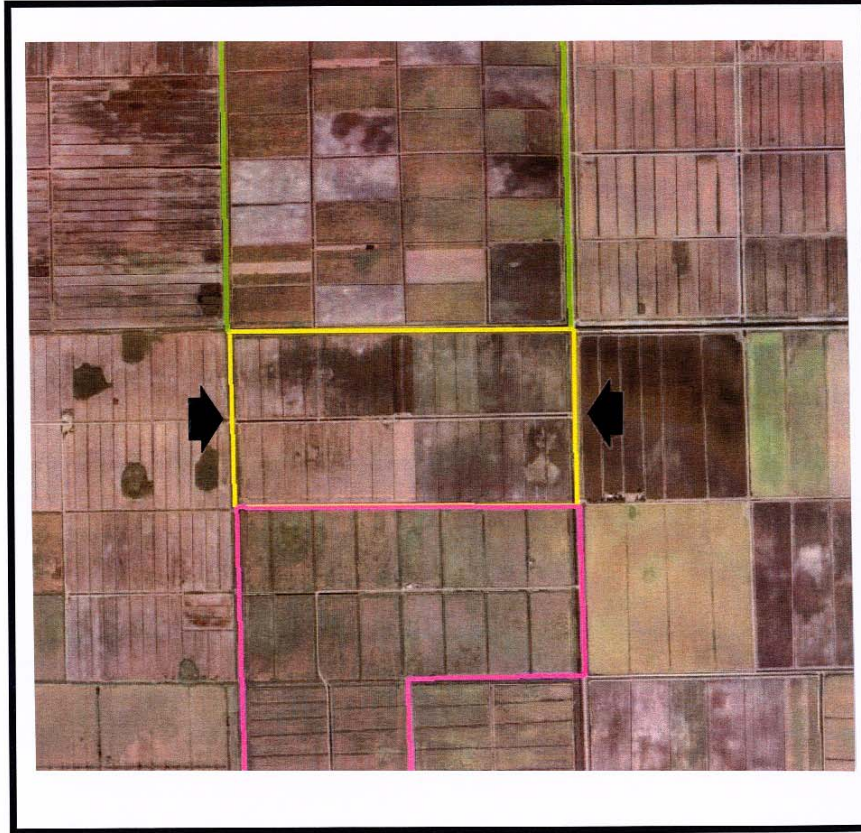
**CONDITIONS OF SALE:** Arm's length transaction

**DATE (OF TRANSACTION):** December 8, 2006

**PRESENT USE:** Sod farm

**HIGHEST AND BEST USE:** Agriculture

COMPARABLE VACANT LAND SALE NO. H-35 (754/1439)



**COMPARABLE VACANT LAND SALE NO. PB-67 (21526/474)**

**LOCATION:** The site is located along the east side of North New River Canal and US 27, lying 6.25 miles southerly of South Bay and SR 80.

**BRIEF LEGAL DESCRIPTION:** A lengthy legal description of a parcel of land located in Sections 13 and 14, Twp. 45S, Rge. 36E, Palm Beach County, FL.

**GRANTOR:** The Elfers Family Limited Partnership, et al

**GRANTEE:** Woerner South, Inc.

**LAND SIZE:** 757.3 Acres

**PROPERTY TYPE:** Improved sod farm

**O.R. BOOK/PAGE:** 21526/474

**ZONING/LAND USE:** "AP", Agricultural Production/  
"AP", Agricultural Production (Palm Beach County)

**PROPERTY DATA:** The site consists of Pahokee muck and freshwater marshes and ponds.

**SALES PRICE:** \$6,058,400.

**PRICE/UNIT:** \$8,000/Acre

**TERMS:** Cash to the seller.

**VERIFICATION:** By John D. Osgood, Associate Appraiser, with Ms. Christina Weimer (representative of grantee) on August 12, 2008 and by Dawn R. Roberts with Warren Prescott, OCF 27 (prior lessee) in January 2007.

**CONDITIONS OF SALE:** Arm's length transaction

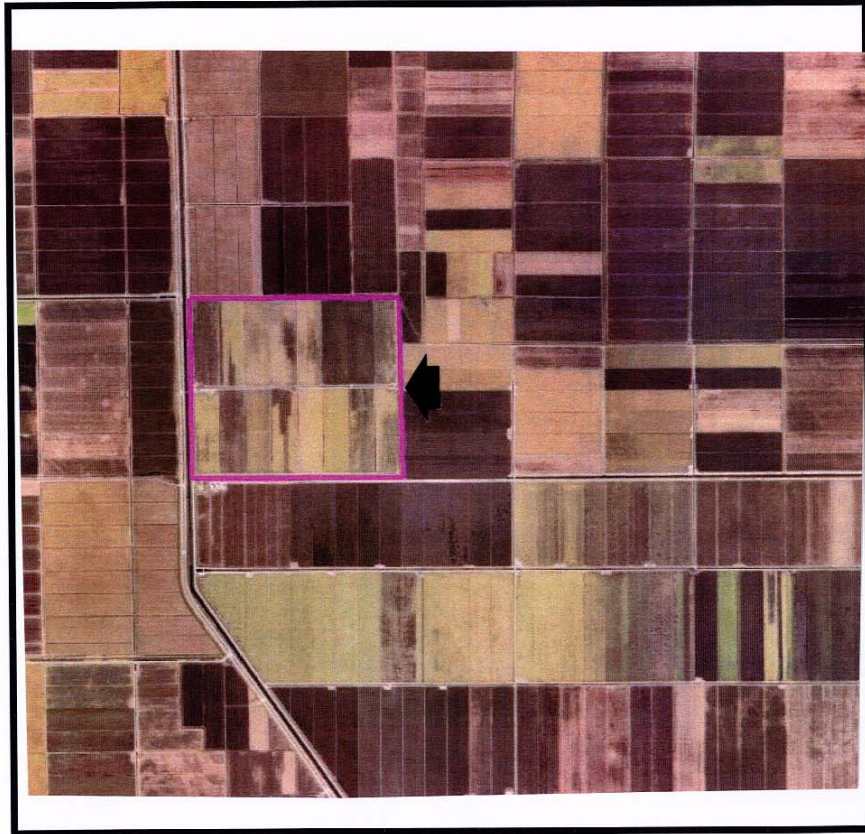
**DATE (OF TRANSACTION):** March 16, 2007

**PRESENT USE:** Sod farm

**HIGHEST AND BEST USE:** Agriculture

**COMMENTS:** The grantee exercised their right of first refusal and paid the full listing price for the land. Representatives of the grantee indicate that a premium was paid to obtain frontage along US 27 for adjacent lands.

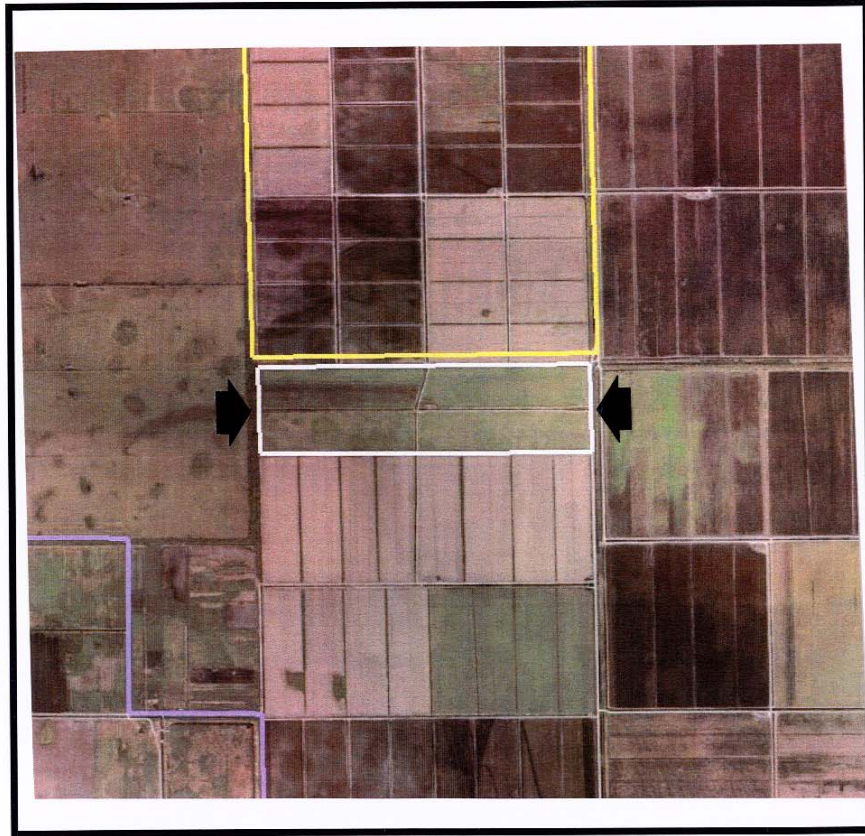
COMPARABLE VACANT LAND SALE NO. PB-67 (21526/474)



**COMPARABLE TRANSITIONAL LAND SALE NO. H-50 (697-1349)**

<b><u>LOCATION:</u></b>	The site is located along the westerly right-of-way of Blumberg Road, lying approximately 9 miles southerly of CR 835.
<b><u>BRIEF LEGAL DESCRIPTION:</u></b>	A lengthy legal description of a parcel of land located in Section 15, Twp. 46S, Rge. 34E, Hendry County, FL
<b><u>GRANTOR:</u></b>	Freedom Farms, LLC
<b><u>GRANTEE:</u></b>	Hendry Turf, LLC
<b><u>LAND SIZE:</u></b>	159.8± Acres
<b><u>PROPERTY TYPE:</u></b>	Improved sod farm.
<b><u>O.R. BOOK/PAGE:</u></b>	697-1349
<b><u>ZONING/LAND USE:</u></b>	"A-2", Agricultural (Hendry County)/Agricultural
<b><u>PROPERTY DATA:</u></b>	The site is an existing sod farm, and is currently listed for sale for \$10,000/acre. No offers have been received per the listing brokers.
<b><u>SALES PRICE:</u></b>	\$672,000
<b><u>PRICE/UNIT:</u></b>	\$4,205/Acre
<b><u>TERMS:</u></b>	Cash to the seller.
<b><u>VERIFICATION:</u></b>	By John D. Osgood, Associate Appraiser, with Ms. Luan B. Walker (representative of grantee) on August 6, 2008.
<b><u>CONDITIONS OF SALE:</u></b>	Arm's length transaction.
<b><u>DATE (OF TRANSACTION):</u></b>	March 24, 2005
<b><u>PRESENT USE:</u></b>	Sod farm.
<b><u>HIGHEST AND BEST USE:</u></b>	Agricultural development.

COMPARABLE TRANSITIONAL LAND SALE NO. H-50 (697-1349)



**COMPARABLE VACANT LAND SALE NO. PB 64 (20013/56)**

**LOCATION:** The site is located 4 miles east of Hillsboro Canal, 1.5 miles south of the Shawano Drainage District Road on the west side of the Loxahatchee National Wildlife Refuge.

**BRIEF LEGAL DESCRIPTION:** A lengthy legal description of a parcel of land located in Section 21, Twp. 45S, Rge. 39E, Palm Beach County, FL.

**GRANTOR:** Triangle Farms, Inc.

**GRANTEE:** Exotic Collectors Nursery, Inc.

**LAND SIZE:** 484.4 Acres

**PROPERTY TYPE:** Improved farmland

**O.R. BOOK/PAGE:** 20013/56

**ZONING/LAND USE:** "AP", Agricultural Production /  
"AP", Agricultural Production (Palm Beach County)

**PROPERTY DATA:** The property has muck depths ranging from 8 inches to 2-3 feet, according to the grantee.

**SALES PRICE:** \$3,872,000.

**PRICE/UNIT:** \$7,993/Acre

**TERMS:** Cash to the seller and PMM in favor of grantor for \$350,000.

**VERIFICATION:** By John D. Osgood, Associate Appraiser, with Juan Mercado (grantee) on August 28, 2008.

**CONDITIONS OF SALE:** Arm's length transaction

**DATE (OF TRANSACTION):** March 2, 2006

**PRESENT USE:** Tree nursery and row crops

**HIGHEST AND BEST USE:** Agriculture

COMPARABLE VACANT LAND SALE NO. PB 64 (20013/56)



**COMPARABLE VACANT LAND SALE NO. M-5 (1883-1; 2000-1112;  
2129-2804; 2129-2817 & 2219-773)**

**LOCATION:** The site is located along the easterly right-of-way of SR 98/441, lying just northerly of the St. Lucie Canal.

**BRIEF LEGAL DESCRIPTION:** A lengthy legal description of a parcel of land located in Sections 2, 3, 4, 10, 11, 14 and 22, Twp. 40S, Rge. 37E and Section 34, Twp. 39S, Rge. 37E, Martin County, FL

**GRANTOR:** Camayen Cattle Company

**GRANTEE:** Barry M. Brant, Trustee of Okeechobee CC-1 Land Trust

**LAND SIZE:** 1,215.41 Acres

**PROPERTY TYPE:** Improved Farmland.

**O.R. BOOK/PAGE:** 1883-1; 2000-1112; 2129-2804; 2129-2817 & 2219-773

**ZONING/LAND USE:** "A-2", Agricultural/Agriculture (Martin County).

**PROPERTY DATA:** At the time of sale, the property was cultivated in sugarcane. The buyer intends to convert the parcel into a large plant/tree nursery and utilize as a tree farm.

**SALES PRICE:** \$10,938,700.

**PRICE/UNIT:** \$9,000/Acre

**TERMS:** Cash to the seller.

**VERIFICATION:** By Philip M. Holden, MAI with Al Sanchez (Grantor) on April 9, 2004.

**CONDITIONS OF SALE:** Arm's length transaction.

**DATE (OF TRANSACTION):** April 5, 2004, April 1, 2005, April 3, 2006 and January 29, 2007

**PRESENT USE:** Sugarcane

**HIGHEST AND BEST USE:** Agriculture

**COMPARABLE VACANT LAND SALE NO. M-5** (1883-1; 2000-1112; 2129-2804;  
2129-2817 & 2219-773)



**COMPARABLE VACANT LAND SALE NO. PB 62 (18041/331)**

**LOCATION:** The site is located on the east side of Connor's Highway (US Highway 98/441) and Lake Okeechobee, lying 1.75 miles southerly of the Martin/Palm Beach County line.

**BRIEF LEGAL DESCRIPTION:** Lengthy legal description located in Sections 1 and 2, Twp. 41S, Rge. 37E, Palm Beach County, FL

**GRANTOR:** Camaro Farms, Inc.

**GRANTEE:** Oasis-Pelican, Limited

**LAND SIZE:** 509.09 Acres

**PROPERTY TYPE:** Vacant land.

**O.R. BOOK/PAGE:** 18041/331

**ZONING/LAND USE:** "AP", Agricultural Production/"Agricultural Production" (Palm Beach County)

**PROPERTY DATA:** Terra Ceia muck, Torry muck, Okeelanta muck, and broad freshwater and marsh areas. Improvements include 2 pump stations used for drainage and irrigation water for the property. One-half of the site had 12 feet of muck depth and one half had 3 feet of muck depth.

**SALES PRICE:** \$4,960,260.

**PRICE/UNIT:** \$9,743/Acre

**TERMS:** Cash to the seller.

**VERIFICATION:** By John D. Osgood, Associate Appraiser, with confidential sources on August 8, 2008 and by Dawn R. Roberts with Roger Hatton, Grantor, on April 24, 2007.

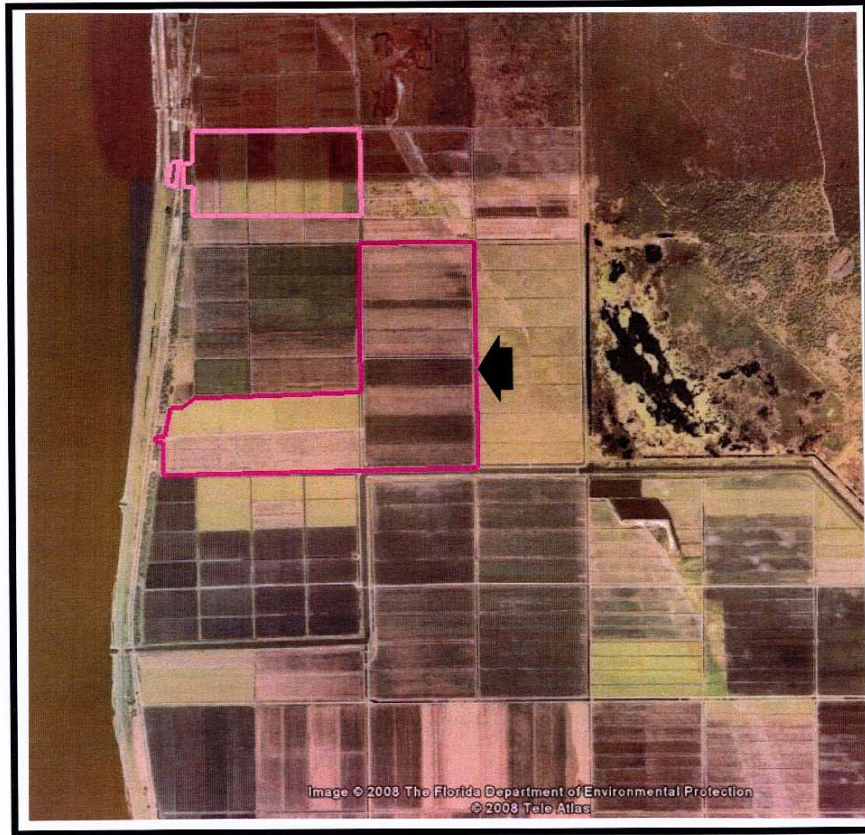
**CONDITIONS OF SALE:** Arm's length transaction.

**DATE (OF TRANSACTION):** January 20, 2005

**PRESENT USE:** Tree farm.

**HIGHEST AND BEST USE:** Agricultural

COMPARABLE VACANT LAND SALE NO. PB 62 (18041/331)



**COMPARABLE VACANT LAND SALE NO. H-32 (736/1213)**

**LOCATION:** The site is located along the E side of C.R. 835, 19 miles S of Clewiston in eastern Hendry County, FL.

**BRIEF LEGAL DESCRIPTION:** A lengthy legal description of a parcel of land located in Sections 19, 20 and 29, Twp. 46S, Rge. 34E, Hendry County, FL

**GRANTOR:** Cypress I & Cypress II, LLC

**GRANTEE:** Charles W. Obern

**LAND SIZE:** 690.54 Acres

**PROPERTY TYPE:** Improved Farmland.

**O.R. BOOK/PAGE:** 736/1213

**ZONING/LAND USE:** "A-2", Agricultural/Agricultural (Hendry County)

**PROPERTY DATA:** The site consists of Immokalee Sand, Margate Sand and Basinger Sand. Improvements include an older single-family home that did not contribute value to the sale.

**SALES PRICE:** \$2,416,900.

**PRICE/UNIT:** \$3,500/Acre

**TERMS:** Cash to the seller.

**VERIFICATION:** By Dawn R. Roberts, S.F. Holden, Inc., with Cheryl Eby, Real Estate Broker, on July 5, 2006.

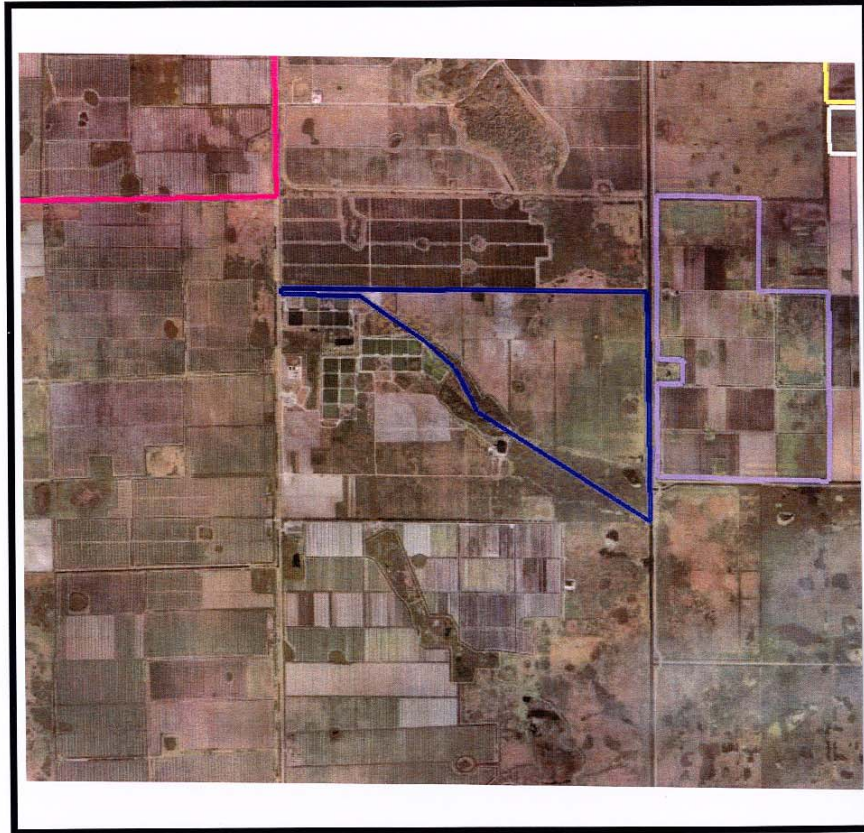
**CONDITIONS OF SALE:** Arm's length transaction.

**DATE (OF TRANSACTION):** May 4, 2006

**PRESENT USE:** Row Crop.

**HIGHEST AND BEST USE:** Agricultural

COMPARABLE VACANT LAND SALE NO. H-32 (736/1213)



**COMPARABLE VACANT LAND SALE NO. H-55 (741/1353&1355)**

**LOCATION:** The site is located along the W side of C.R. 835, 16 miles S of Clewiston, in eastern Hendry County, FL.

**BRIEF LEGAL DESCRIPTION:** A lengthy legal description of a parcel of land located in Sections 1, 2 and 3, Twp. 46S, Rge. 33E, Hendry County, FL

**GRANTOR:** RDZ, Inc. and Zipperer Farms, LLC

**GRANTEE:** Hendry Capital, LLC

**LAND SIZE:** 1,232 Acres

**PROPERTY TYPE:** Improved farmland

**O.R. BOOK/PAGE:** 741/1353&1355

**ZONING/LAND USE:** "A-2", Agriculture (Hendry County) / "Agriculture" (Hendry County)

**PROPERTY DATA:** The site consists of Immokalee Sand and Basinger Sand. 75% of the site was improved farmland for vegetable crops at the time of sale, with 25% of the property in native lands.

**SALES PRICE:** \$8,625,300; \$9,364,000 (adjusted for finder's fee, paid by grantee)

**PRICE/UNIT:** \$7,600/Acre

**TERMS:** PMM in favor of seller for \$5,724,000 due and payable in full on June 30, 2011.

**VERIFICATION:** By John D Osgood, Associate Appraiser, with Helen Fraguera (representative of grantee) on August 1, 2008 and by Dawn R. Roberts, S. F. Holden, Inc., with Doug Zipperer (grantor) and Wayne Legum (grantee).

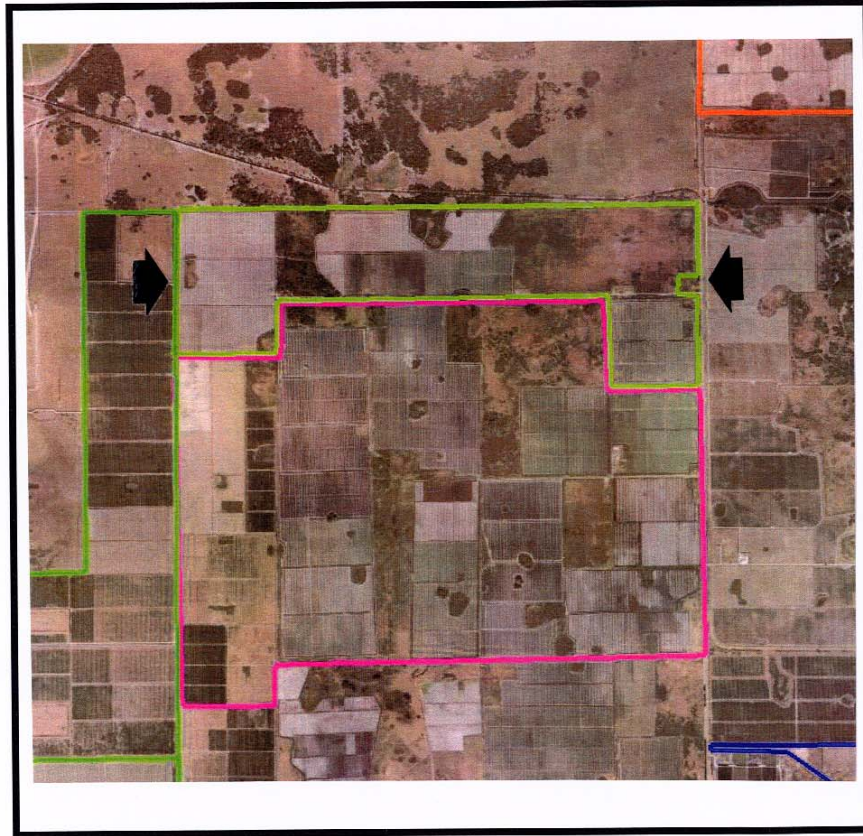
**CONDITIONS OF SALE:** Arm's length transaction.

**DATE (OF TRANSACTION):** June 29, 2006

**PRESENT USE:** Agricultural production (row crops – vegetables)

**HIGHEST AND BEST USE:** Agricultural production.

COMPARABLE VACANT LAND SALE NO. H-55 (741/1353&1355)



**COMPARABLE VACANT LAND SALE NO. PB 63 (20025/1839)**

**LOCATION:** The site is located approximately 4½ miles east of Brown's Farm Road on the western boundary of the Loxahatchee National Wildlife Refuge, approximately 6 miles south of S.R. 80 and 15 miles southeast of South Bay.

**BRIEF LEGAL DESCRIPTION:** Lengthy legal description of a parcel of land located in Sections 4 and 5, Twp. 45S, Rge. 39E, Palm Beach County, FL

**GRANTOR:** G. Mc. Enterprises, Inc.

**GRANTEE:** B & B Land Holdings, LLC

**LAND SIZE:** 287± Acres

**PROPERTY TYPE:** Improved farmland

**O.R. BOOK/PAGE:** 20025/1839

**ZONING/LAND USE:** "AP", Agricultural Production/Agricultural Production (Palm Beach County).

**PROPERTY DATA:** Okeechobee muck, Terra Ceia muck, and freshwater marshes and ponds.

**SALES PRICE:** \$1,578,500

**PRICE/UNIT:** \$5,500/Acre

**TERMS:** Grantor took back a \$1,528,500 mortgage amortized 20 years at 7.5% with quarterly P&I payments. Mortgage did not impact sales price.

**VERIFICATION:** By John D. Osgood, Associate Appraiser, with Mr. Erik Larson (grantor) on August 12, 2008 and by Dawn R. Roberts with Mr. McKinstry, Grantee, in February 2006, and with Erik & Karl Larsen, Grantors, on February 12, 2007.

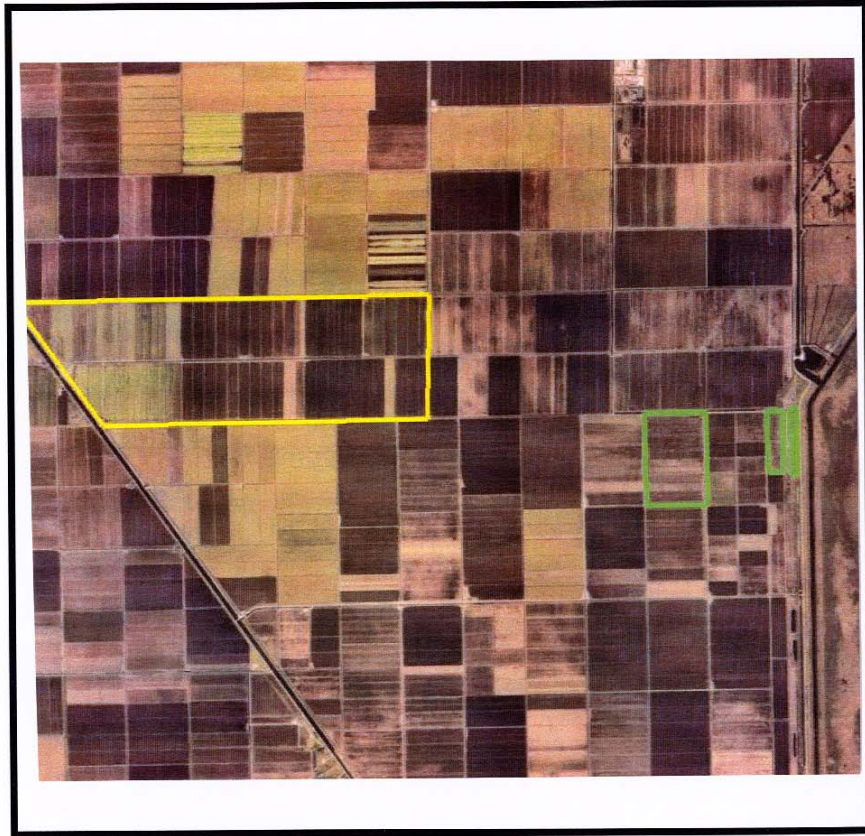
**CONDITIONS OF SALE:** Arm's length transaction

**DATE (OF TRANSACTION):** February 15, 2006

**PRESENT USE:** Converted from sugarcane to sod and vegetables after date of sale.

**HIGHEST AND BEST USE:** Agriculture

COMPARABLE VACANT LAND SALE NO. PB 63 (20025/1839)



**COMPARABLE VACANT LAND SALE NO. H-54 (741/1513)**

**LOCATION:** The site is located along the west side of C.R. 835, 17 miles S of Clewiston in eastern Hendry County.

**BRIEF LEGAL DESCRIPTION:** A lengthy legal description of a parcel of land located in Sections 1, 2, 3, 10, 11, 12, 13, 14 and 15, Twp. 46S, Rge. 33E, Hendry County, FL

**GRANTOR:** Zipperer Farms, LLC

**GRANTEE:** Hendry County Nursery Farms, LLC

**LAND SIZE:** 3,568 Acres

**PROPERTY TYPE:** Improved farmland

**O.R. BOOK/PAGE:** 741/1513

**ZONING/LAND USE:** "A-2" Agriculture (Hendry County) / "Agriculture" (Hendry County)

**PROPERTY DATA:** The site consists of Immokalee Sand and Basinger Sand. Improvements to the site included mobile homes and sheds which did not contribute value to the sale.

**SALES PRICE:** \$24,976,500.

**PRICE/UNIT:** \$7,000/Acre

**TERMS:** Cash to the seller.

**VERIFICATION:** By John D. Osgood, Associate Appraiser, with Helen Fragueta (real estate broker) on August 1, 2008 and Dawn R. Roberts, S.F. Holden, Inc., with Doug Zipperer (Grantor) on July 19, 2006.

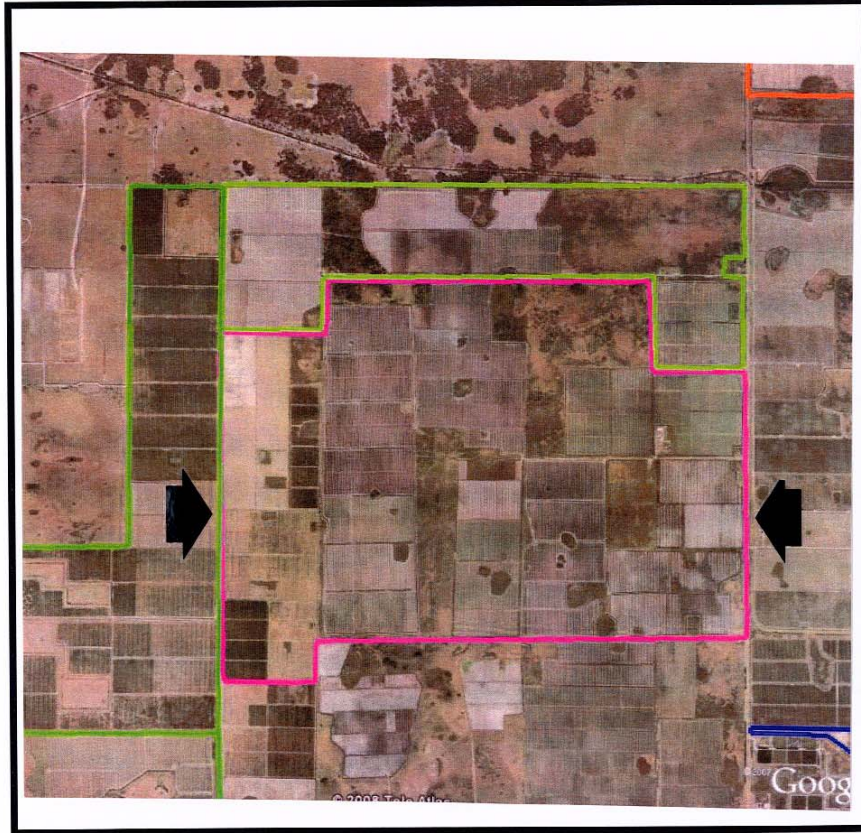
**CONDITIONS OF SALE:** Arm's length transaction.

**DATE (OF TRANSACTION):** June 29, 2006

**PRESENT USE:** Agricultural production (tree nursery and row crops-vegetables)

**HIGHEST AND BEST USE:** Agriculture.

COMPARABLE VACANT LAND SALE NO. H-54 (741/1513)



**COMPARABLE VACANT LAND SALE NO. H-38 (772-1414)**

**LOCATION:** The site is located 1± mile easterly of CR 833 and approximately 2± miles northerly of the east/west portion of CR 833.

**BRIEF LEGAL DESCRIPTION:** A lengthy legal description of a parcel of land located in all of Section 2 and the W1/2 of Section 11, Twp. 46S, Rge. 32E, Hendry County, FL.

**GRANTOR:** Rosa Lee Hull, et al

**GRANTEE:** Devil's Garden Golden Ox, LLC and Nesting Boar, LLC

**LAND SIZE:** 960± Acres

**PROPERTY TYPE:** Semi-improved pasture, hammocks, wetlands.

**O.R. BOOK/PAGE:** 772-1414

**ZONING/LAND USE:** "A-2", Agricultural/Agriculture (Hendry County).

**PROPERTY DATA:** The site consists predominantly of semi-improved pasture with scattered hammock areas throughout the parcel.

**SALES PRICE:** \$4,800,000.

**PRICE/UNIT:** \$5,000/Acre

**TERMS:** PMM in favor of Grantors for \$700,000.

**VERIFICATION:** By John D. Osgood, Associate Appraiser, with Mr. Gary Hull, representative of grantor, on August 1, 2008.

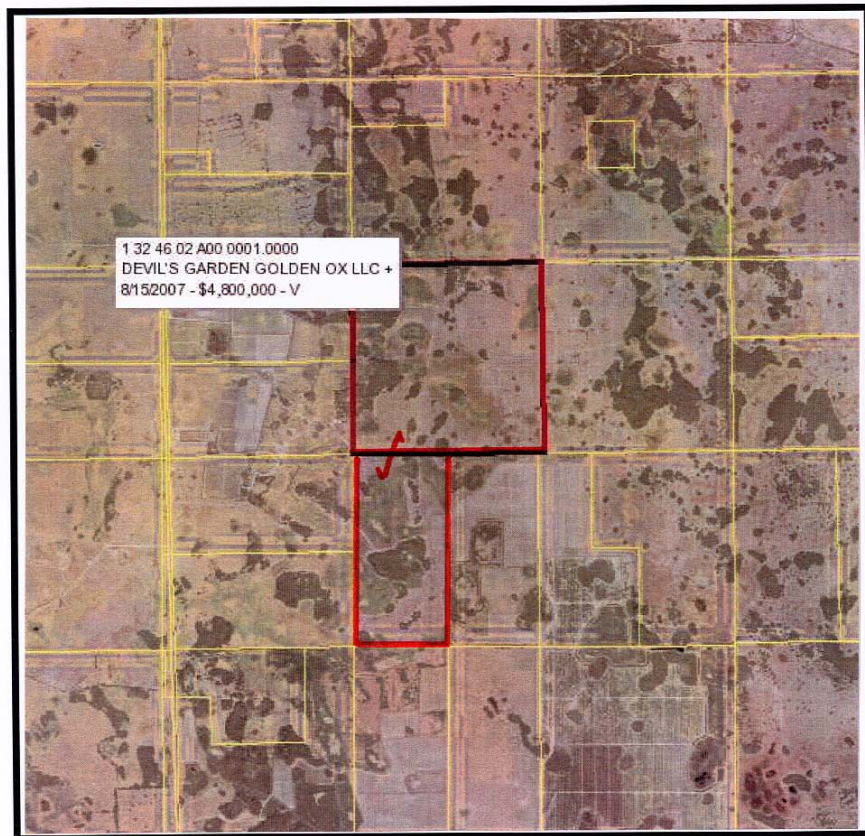
**CONDITIONS OF SALE:** Arm's length transaction.

**DATE (OF TRANSACTION):** August 15, 2007

**PRESENT USE:** Cattle ranch and recreation.

**HIGHEST AND BEST USE:** Agricultural

COMPARABLE VACANT LAND SALE NO. H-38 (772-1414)



**COMPARABLE VACANT LAND SALE NO. H-44 (728-1813)**

**LOCATION:** The site is located approximately 4 miles westerly of CR 833 and approximately 3 miles northerly of West Boundary Road. In addition, the site lies just northerly of the Big Cypress Seminole Indian Reservation.

**BRIEF LEGAL DESCRIPTION:** A lengthy legal description of a parcel of land located in Sections 23, 25, 26, 35 and 36, Twp. 47S, Rge. 32E, Hendry County, FL.

**GRANTOR:** Richard and Jacquelyn Roberts

**GRANTEE:** Little Ranch II, LLC

**LAND SIZE:** 2,009.7± Gross Acres

**PROPERTY TYPE:** Native pasture with scattered hammocks.

**O.R. BOOK/PAGE:** 728-1813

**ZONING/LAND USE:** "A-2", Agricultural (Hendry County) / "Agricultural" (Hendry County)

**PROPERTY DATA:** The property is currently utilized for cattle grazing. Buyer intends to create a hunt club with exotic game.

**SALES PRICE:** \$ 8,038,800 (recorded sales price)  
\$ 5,024,250 (assignment fee)  
\$13,062,050 Total Sale Price

**PRICE/UNIT:** \$6,500/Acre

**TERMS:** Cash to the seller.

**VERIFICATION:** By Dawn Roberts, S.F. Holden, Inc., with Mr. Brett Dubois (real estate broker) on July 15, 2008.

**CONDITIONS OF SALE:** Arm's length transaction.

**DATE (OF TRANSACTION):** February 15, 2006

**PRESENT USE:** Cattle grazing.

**HIGHEST AND BEST USE:** Agricultural

COMPARABLE VACANT LAND SALE NO. H-44 (728-1813)



**COMPARABLE VACANT LAND SALE NO. H-46 (780/1608)**

**LOCATION:** The site is located 1± mile southerly of CR 846, lying approximately 2± miles westerly of the intersection of CR 833 and CR 846.

**BRIEF LEGAL DESCRIPTION:** A lengthy legal description of a parcel of land located in Section 7, Twp. 47S, Rge. 32E, Hendry County, FL

**GRANTOR:** IJL, LLC

**GRANTEE:** Finca Vigia, LLC

**LAND SIZE:** 646.76± Acres

**PROPERTY TYPE:** Native pasture with scattered hammocks.

**O.R. BOOK/PAGE:** 780/1608

**ZONING/LAND USE:** "A-2", Agriculture/Agricultural (Hendry County).

**PROPERTY DATA:** The parcel was purchased by the adjacent owner. Access is provided via easement, extending southerly from CR 846.

**SALES PRICE:** \$5,400,000.

**PRICE/UNIT:** \$8,350/Acre

**TERMS:** Cash to the seller.

**VERIFICATION:** By John D. Osgood, Associate Appraiser, with Ms. Natalia Arana (representative of grantee) on August 6, 2008.

**CONDITIONS OF SALE:** Arm's length transaction.

**DATE (OF TRANSACTION):** October 4, 2007

**PRESENT USE:** Cattle grazing.

**HIGHEST AND BEST USE:** Agricultural

**COMPARABLE VACANT LAND SALE NO. H-46 (780/1608)**



## **CONTINGENT AND LIMITING CONDITIONS**

1. The appraiser(s) whose signature appears on the letter of transmittal assumes no responsibility for matters legal in character and no opinion as to the title is rendered. All existing liens and encumbrances, if any, have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management, unless otherwise specifically stated.
2. Any sketches or renderings contained within this report are approximate only and are included, along with photographs, for the purpose of assisting the reader in visualizing the property or problem at hand.
3. All statements and cost estimates are derived from sources believed to be reliable, but are in no sense guaranteed.
4. No survey or topographical study of the property has been made by the appraiser(s) and the appraiser(s) assumes no responsibility in connection with such matters. Size of the property which is the subject of the appraisal is derived from sources believed to be accurate, however, the reader or client is cautioned to rely only upon a qualified land surveyor or engineer for exact figures.
5. The appraiser(s) is not required to give testimony or attendance in court by reason of this appraisal unless prior arrangements have been made. Fees for the subsequent presentation, support, or testimony of value estimates or matters contained within this analysis are in addition to those charged for the initial preparation of the original value estimate.
6. Possession of any copy or part of this report does not carry with it the right of publication, nor may it be used for any purpose by anyone but the client, without the previous written consent of the client or appraiser(s).
7. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, newspapers, or other media, without the written consent and approval of the author, particularly as to valuation conclusion, the identity of the appraiser(s) or firm with which he/she or they are connected, or any reference to the Appraisal Institute.
8. The appraiser(s) assumes there are no hidden conditions of the property which would render it more or less valuable than an otherwise apparently comparable property. The appraiser(s) assumes no responsibility for such conditions or for any engineering which might be required to discover them.

## **CONTINGENT AND LIMITING CONDITIONS, Cont'd.**

9. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation, asbestos, polychlorinated biphenyls, petroleum leakage or agricultural chemicals, which may or may not be present on the property, or other environmental conditions were not called to the attention of the appraiser, 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 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 condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them.

## **CURRICULUM VITAE**

### **E. LARRY SEWELL, MAI**

The appraiser is a partner and principal in the real estate appraisal firm, SEWELL, VALENTICH, TILLIS & ASSOCIATES, which is a partnership of professional associations formally organized for the purpose of providing real estate and related evaluation services to the general public. Acting as a full-service appraisal association, SVTA participates primarily in the evaluation of real estate and emphasizes the representation of both public and private entities involved in eminent domain litigation. Examples of analyses of real property interest include evaluations for the following: eminent domain; inverse condemnation; Bert Harris claims; tax appeal; court ordered partitioning; insurance cost analysis; evaluation of partial interests, such as easements; reservations; lease evaluations; temporary construction easements; encroachments, residual interests; and the evaluation of special purpose or unique properties which are not commonly marketed.

Appraisal and consulting assignments frequently require the development of analytical studies to determine the impact caused by extraneous conditions such as inharmonious land uses, governmental actions or restrictions placed upon the use of properties. Damage analyses and studies conducted by the appraiser include: evaluation of impact caused by the presence of expanded roadways; over-flight of aircraft; proximity to electrical transmission facilities; high pressure gas lines; encroachments; construction defects; flowage easements; public schools; and a number of other unique evaluation issues.

Approved in numerous jurisdictions throughout the State of Florida, the appraiser has been accepted by various courts as an expert witness and allowed to present testimony relating to the value of a wide variety of real estate interests. The appraiser has also served as a court-appointed commissioner for the purpose of partitioning lands, has participated in numerous mediations and negotiations.

The appraiser routinely attends professional appraisal classes and seminars to maintain a level of expertise required to fulfill both State of Florida and Appraisal Institute continuing educational requirements.

#### **Professional Affiliations and Licensing**

Member of the Appraisal Institute (MAI)  
Florida Real Estate Broker #0079444  
State-Certified General Real Estate Appraiser No. RZ501  
Building Contractor's License, #RR0043100, (Class "C", Reg. Residential)

