

December 7, 2000

Mr. C. Thomas Callaway, First Vice President
SunTrust Bank, Central Florida
200 South Orange Avenue, Tower 5
P.O. Box 4925
Orlando, Florida 32802-4925

Re: Appraisal of an Office/Warehouse Building located at 5497 Benchmark Lane in Sanford, Seminole County, Florida. The property is located at the northwest corner of Benchmark Lane and North Financial Court within Midway Commerce Center.

Dear Mr. Callaway:

As requested, we have completed our inspection and appraisal of the above referenced property. The attached, complete appraisal in a self-contained report format provides data and reasoning employed in formulating our value estimate. Our appraisal has been prepared in conformance with USPAP and Appraisal Institute standards, and in compliance with SunTrust Bank, Central Florida. No departure rules were invoked that would limit the reliability of this appraisal.

We also certify that we have no past, present or prospective interest and no personal interest or bias with respect to the parties involved; that our compensation is not contingent on an action or event resulting from the analysis, opinions or conclusions therein. Further, to the best of our knowledge, the information and opinions presented herein are correct. We refer you to the General Assumptions and Limiting Conditions that are made part of this report. We also refer you to the Certification.

As of the date of this report, Richard A. Best, MAI has completed the voluntary continuing education program with the Appraisal Institute. The use of this report is limited to our client and also to duly authorized members of the Appraisal Institute and the Real Estate Appraisal Board of the State of Florida. This is a certified appraisal as defined in the provisions of Part II, Chapter 475.501, Florida Statutes. We do not authorize the out of context quoting from partial reprinting of this appraisal report. Further, neither all nor any part of this appraisal report shall be disseminated to the general public by the use of the media for public communication without the prior written consent to the undersigned appraiser.

This appraisal also conforms to the Federal Deposit Insurance Corporation's final ruling for appraisals that are published in the Federal Register, effective September 19, 1990, under "12 CFR Part 323". This rule specifically denies any departure from Uniform Standards of Professional Appraisal Practice.

Mr. C. Thomas Callaway
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The purpose of the appraisal was to estimate the "as is" market value of the fee simple estate in the property, as of the valuation date, December 5, 2000. The function of the appraisal is for loan underwriting.

The subject of this appraisal consists of a multi-tenant industrial building containing a total of 12,900 SF. The building will be 61.5% owner-occupied by its existing tenant (and buyer), Champagne Pools of Central Florida. The building has 11,400 SF on the first floor, and 1,500 SF (office on the second floor). Champagne Pools of Central Florida will occupy 3,000 SF of office area, and 3,697.50 SF of warehouse storage area (which is the space they currently occupy). The balance of the space is divided into three industrial warehouse units that contain a small air-conditioned office area, two of which contain 1,232.5 SF. These units are vacant. The end warehouse unit (third unit) is also vacant and is essentially two former warehouse units that have been combined and contain a total of 2,505 SF.

The underlying site contains one acre, more or less.

The value reported is qualified by certain definitions, limiting conditions and certification statements which are set forth within the attached report. Based on our analysis, the Market Value "as is" of the property, as of December 5, 2000 is:

[REDACTED]

[REDACTED]

Thank you for this opportunity to be of service.

DeRango, Best & Associates

Richard A. Best, MAI; Vice President
Managing Partner
St.Cert.Gen.REA 0002001

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QUALIFICATIONS
REPRESENTATIVE CLIENT LIST

EXECUTIVE SUMMARY

REPORT DATE: December 7, 2000

REPORT TYPE: Complete Appraisal; Self-Contained Report Format

EFFECTIVE DATE OF APPRAISAL: "As Is" : December 5, 2000, the date of the last inspection.

PROPERTY IDENTIFICATION: The property is an existing office/warehouse building that is located at 5497 Benchmark Lane, Sanford, Seminole County, Florida. The site is improved with a 12,900 SF multi-tenant industrial building, of which 11,400 SF is on the first floor, and a balance of 1,500 SF of office space is located on the second floor. The underlying site contains approximately one acre of land area, or 43,560 SF.

PURPOSE AND FUNCTION OF APPRAISAL: Estimate the "as is" market value of the subject property, as of June 5, 2000. The function is for loan underwriting on part of SunTrust Bank, Central Florida.

ESTATE APPRAISED: Fee Simple Estate

PROPERTY LOCATION: The property address is 5497 Benchmark Lane, Sanford, Seminole County, Florida 32773.

HIGHEST AND BEST USE: Continued use as a multi-tenant industrial warehouse building.

EASEMENTS: Typical utility easements exist. Subject to formal site survey.

LAND TO BUILDING RATIO: 3.38:1

VALUE INDICATIONS:

Cost Approach	\$	██████████
Market Approach	\$	██████████
Income Approach	\$	██████████

VALUE ESTIMATE: "As Is" \$ ██████████



FRONT VIEW OF SUBJECT PROPERTY



FRONT VIEW OF SUBJECT PROPERTY



SIDE VIEW OF SUBJECT PROPERTY



INDUSTRIAL VIEW - INTERIOR



OFFICE VIEW - INTERIOR



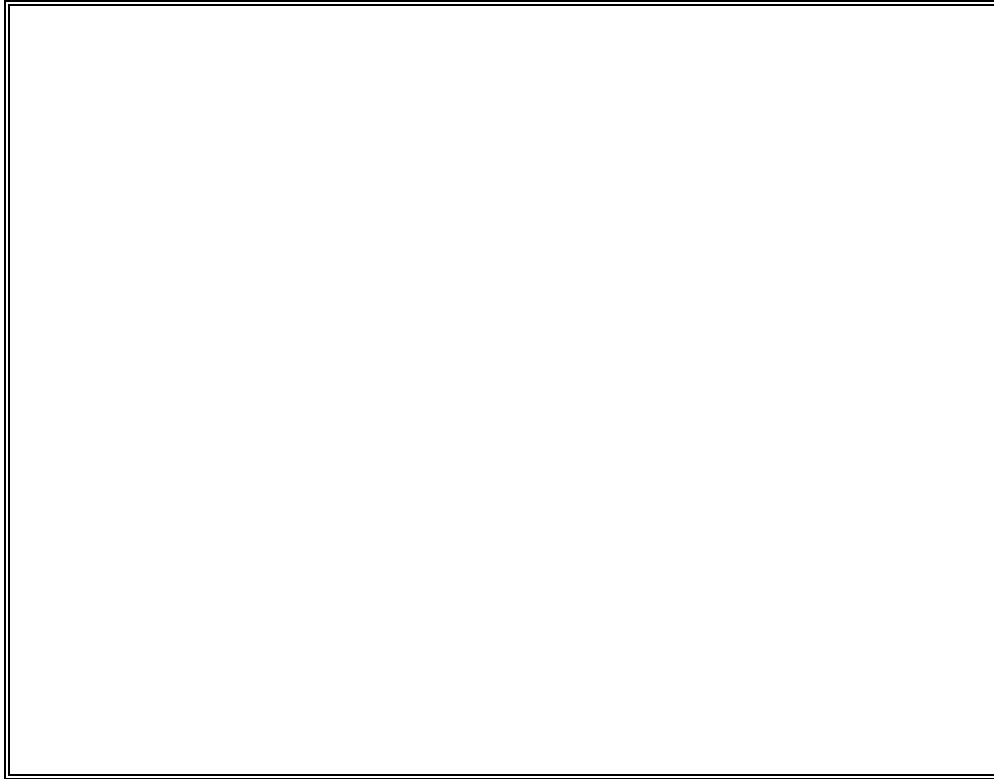
INTERIOR OFFICE VIEW



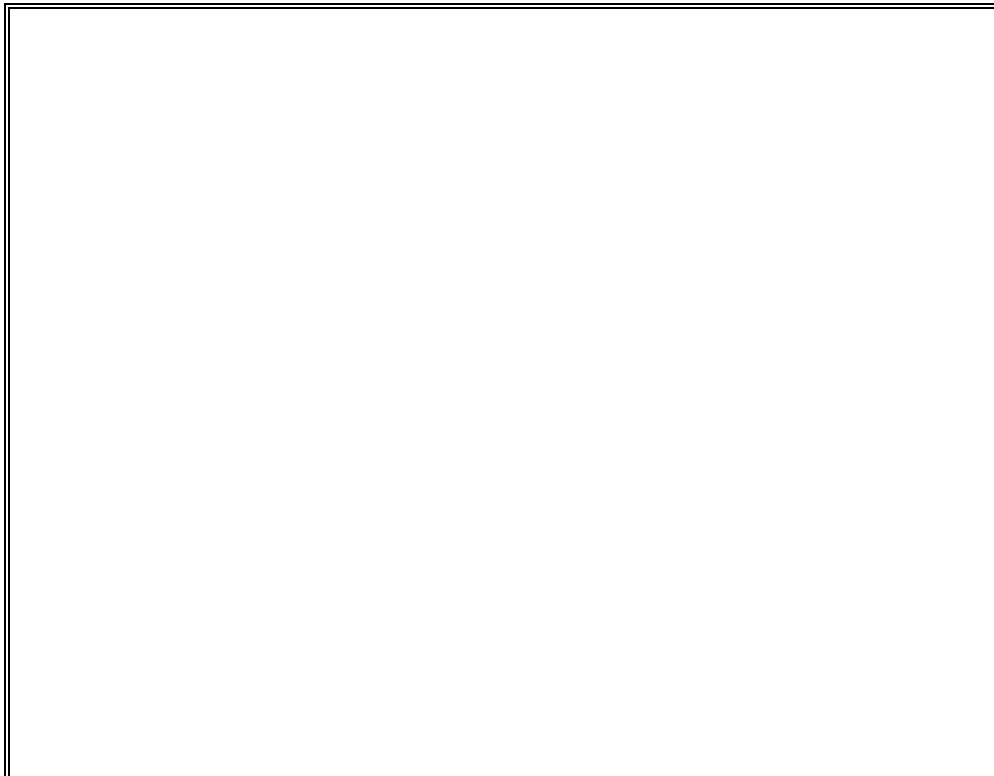
INTERIOR OFFICE VIEW



INTERIOR OFFICE VIEW



INTERIOR OFFICE VIEW



STREET SCENE – BENCHMARK LANE



STREET SCENE – BENCHMARK LANE

INTRODUCTION

SCOPE OF THE ASSIGNMENT

DeRango, Best & Associates has been requested by SunTrust Bank, Central Florida to prepare an appraisal of a multi-tenant industrial property located at 5497 Benchmark Lane in Sanford, unincorporated Seminole County, Florida.

The subject of this appraisal consists of a multi-tenant industrial building containing a total of 12,900 SF. The building will be 61.5% owner-occupied by its existing tenant (and buyer), Champagne Pools of Central Florida. The building has 11,400 SF on the first floor, and 1,500 SF (office on the second floor). Champagne Pools of Central Florida will occupy 3,000 SF of office area, and 3,697.50 SF of warehouse storage area (which is the space they currently occupy). The balance of the space is divided into two industrial warehouse units that contain a small air-conditioned office area, each of which contain 1,232.5 SF. These units are vacant. The end warehouse unit is also vacant and contains two adjoining warehouse units that contain a total of 2,505 SF.

The underlying site contains one acre, more or less.

The purpose of this appraisal is to estimate the Market Value of the property in its "as is" condition. In arriving at these value estimates, we have prepared the Cost, Sales Comparison and Income Capitalization approaches to value.

The scope of the appraisal included an inspection of the property and the neighborhood. Public record information considered in our analysis of the subject was obtained from the Seminole County Property Appraisers' Office. Information regarding sales of comparable properties was obtained by using Experien Data, Inc., Comps, and additional research of the public records, and other third-party sources.

For comparable rental information, we consulted with real estate brokers and leasing agents, owners/operators of similar general industrial buildings in the general neighborhood.

LEGAL DESCRIPTION

The subject legal description is:

Lot 2, Midway Commerce Center, First Addition, according to the Plat thereof, as recorded in Plat Book 37, Pages 59 and 60, of the Public Records of Seminole County, Florida.

This legal description was provided by the public records of Seminole County, Florida.

OWNERSHIP & SALES HISTORY

The subject is under the ownership of LRK Investments, Inc., who purchased the property in August 1994 for \$67,000 (vacant land), according to Official Records Book 2821, Page 967 of the public records of Seminole County, Florida.

The subject is part of a larger tract of land that is part of the Midway Commerce Center. Subsequent to the above-mentioned 1994 land sale at \$67,000, the property has been improved with the existing subject improvements. The property is now under contract for purchase and sale in the amount of \$480,000. A copy of the contract for purchase and sale has been included in the addenda of this report.

The buyer is Champagne Pools of Central Florida. This buyer plans on utilizing their existing 7,930 SF of office/warehouse space, and leasing two warehouse/office rental units, each containing 1,23.50 SF, and one rental unit containing 2,505 SF.

MARKETING TIME

Our concluded Market Value estimate considers the type of real estate, the market conditions, the above average size of the building and the specific posture of subject. Occupancy levels within the subject industrial market generally are approximately 90-100%. The local market in terms of marketability and profitability is extremely location specific. Most of the industrial centers in this market are owner-occupied, with very little inventory available for sale.

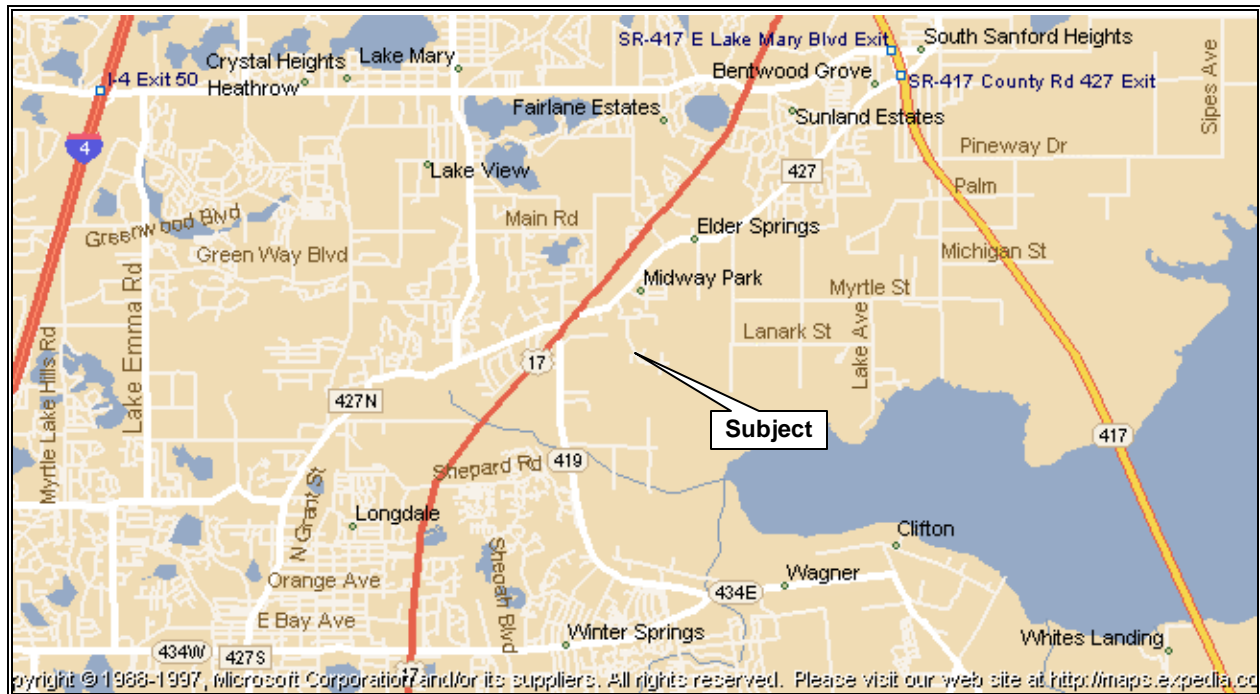
The property location benefits from access and proximity to major roadways that include the Central Florida Greenway, approximately 3-5 miles east. U.S. Highway 17-92 is located east of the property, which provides access to such municipalities as the City of Sanford and Lake Mary to the north, and Maitland, Casselberry, Winter Park, and Orlando to the south.

We have confirmed the sales used within this appraisal report and found that properties similar to the subject tend to sell within a 12-month period. The principle of substitution applies when construction costs and impact fees are on rise, meaning that an owner/user will rather purchase an existing building with some forms of physical depreciation as opposed to constructing a new facility. Existing industrial buildings such as the subject are highly marketable to certain users, yet can pose a risk based on buildout requirements that vary from user to user. The subject improvements are functional for a variety of users who might opt for partial owner occupancy and then with a portion of the industrial space leased to third parties. In doing so, this allows for expense recoveries from third parties (i.e. assistance in covering mortgage, real estate taxes and maintenance expenses), yet at the same time providing expansion room for the owner/occupant in the event that additional space is required for their business operations.

Based on the above, and the value concluded, we estimate the marketing period for property to be somewhere between 9 to 12 months. This time frame recognizes that the conclusion of the market value will remain at the same level throughout the marketing period. Furthermore, this estimate is premised on active promotion of the property during this period.

We have also estimated that the exposure time of the property is somewhere between nine and 12 months.

NEIGHBORHOOD OVERVIEW



GENERAL DISCUSSION

A neighborhood is defined as a grouping of complimentary land uses. The subject neighborhood is bounded by the following:

- Northern Boundary - Lake Mary Boulevard
- Southern Boundary - State Road 434
- Eastern Boundary – Central Florida Greenway
- Western Boundary - U.S. Highway 17-92 (Orlando Avenue)

The neighborhood is in the southern portion of Sanford, in unincorporated Seminole County, Florida. The area is a mix of residential, commercial, and industrial districts that are southeast of the City of Lake Mary. The neighborhood is part of an emerging suburban corridor influenced by the growth within Sanford and Lake Mary, the Central Florida Greenway, and the Seminole Town Center Mall and the large influx of new office and industrial development in and around Interstate 4 in the Sanford/Lake Mary market area.

Approximate distances to key locations in the area follows:

- Six miles southeast of the Seminole Town Center Super Regional Mall at the interchange of State Road 46 with Interstate 4.
- West of the Central Florida Greenway extension.
- 3.5 miles southeast of downtown Sanford
- Three miles southeast of the Orlando/ Sanford Airport.
- 30 miles north / northeast of the Disney theme parks via Interstate 4.
- 20 miles north of downtown Orlando.

Access

U.S. Highway 17-92 and State Road 434 are the primary thoroughfares through the neighborhood. State Road 46 provides east and west access through the area, including an interchange with Interstate 4. To the east of the neighborhood the road intersect with U.S. Highway 17/92 which runs through the city of Sanford north and south to the shores of Lake Monroe.

Interstate 4 provides the main access to the metropolitan Orlando area and to the Volusia County areas and the East Coast, including Interstate 95.

Other primary routes in the neighborhood include Lake Mary Blvd and State Road 46.

In general, the access and exposure to the neighborhood and property are good.

DEVELOPMENT PATTERNS

Residential Development¹

Residential development in the neighborhood is generally from 10 to 25 years old. To the south of State Road 46 are some of the larger apartment complexes (100 to 500 units) scattered along the Lake Emma Road and Lake Mary Boulevard intersection.

The older, more established residential areas of the district are found east of Interstate 4, around the older portions of the city of Sanford. These districts are mainly made up of single-family residential uses and small multifamily projects in the middle income price ranges.

There are over 3,500 new homes planned within a five-mile radius of the Sanford Town Center Mall with prices ranging from under \$100,000 to \$1,000,000. Additional road construction and expansion in the area is planned making access to the area easier.

¹ Only a general overview is presented here. More particular information relating to the Sanford apartment market is presented later in this appraisal.

Commercial Development

State Road 46 to the north of the property is the primary retail district serving the City of Sanford. To the northwest of the property is the Seminole Town Center Mall, which is a regional mall, containing over 1,000,000 square feet.

The major tenants within the mall include Burdines, J C Penney, Sears, and Dillards. Other development in the Mall area includes restaurants and big box-user buildings along the frontage, as well as a ten screen United Artists Theater. There is continued growth in the retail and commercial markets underway or in the planning stages around the Mall.

U.S. Highway 17-92, to the immediate west of the subject, is the traditional downtown shopping area of Sanford (just north of the subject) which consists of a mix of small and large retail uses, offices, auto service uses, and restaurant sites in the Sanford Historical District.

Located along Upsala Road, south of State Road 46, is the new Westlake Business Center.

To the west of the subject via Interstate 4, is the Lake Mary / Heathrow area. The Heathrow International Business Center and Primera Business Park contain such companies as

- AT&T
- American Automobile Association (AAA) International Headquarters
- Dixon Ticonderoga
- Bell South
- Recoton
- Cincinnati Bell Information Systems
- Southern Security Life
- H T E
- Phoenix International

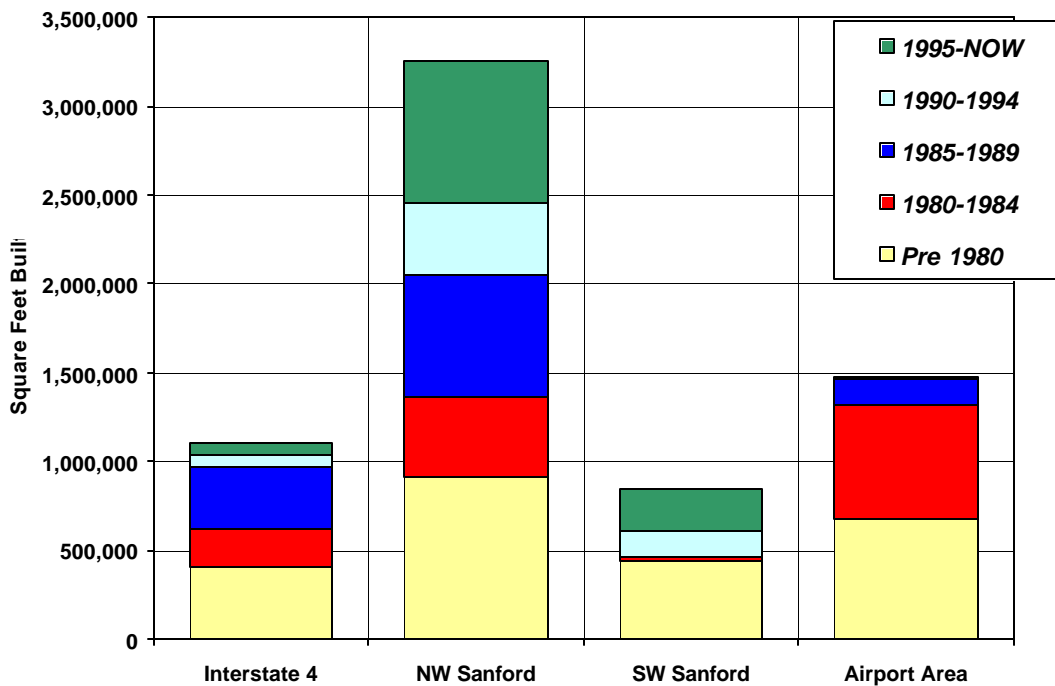
This area is located within a 5 to 10-mile radius of the Seminole Town Center mall and it is expected that over thirteen million square feet of office space will be completed by the year 2002. There is also a total of over 750 new hotel rooms in the area and more are planned in the near future.

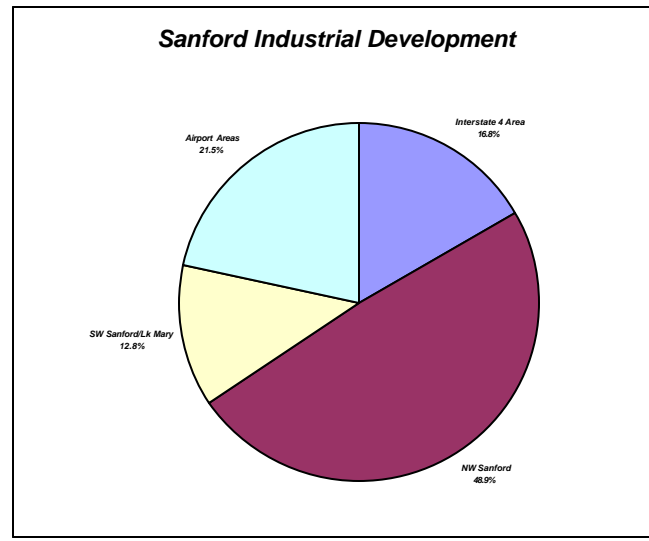
Our market study of the industrial inventory in Sanford, Florida includes almost 6.7 million square feet of industrial buildings based on the current tax roll information available (excluding the airport buildings noted earlier). The breakdown of the space developed in the area is set forth as follows:

Sanford Area Industrial Development History

	<i>Interstate 4</i>	<i>NW Sanford</i>	<i>SW Sanford</i>	<i>Airport Area</i>	<i>Totals</i>
Pre 1980	390,521	785,143	376,364	531,123	2,083,151
1980-1984	218,908	454,343	86,176	762,549	1,521,976
1985-1989	324,344	754,472	0	149,292	1,228,108
1990-1994	73,798	407,427	144,522	5,600	631,347
1995-NOW	102,720	814,855	243,203	10,106	1,170,884
Totals	1,110,291	3,216,240	850,265	1,458,670	6,635,466
% of Total	16.7%	48.5%	12.8%	22.0%	100.0%

Sanford Industrial Market





The chart and graphics show that the majority of the Industrial development in the area occurred over 20 years ago and is focussed in the Western market areas. The second largest concentration of industrial uses is the airport submarket. However, the gross numbers are somewhat misleading in that they do not show the density of development relative to the size of each of the submarkets. The following chart accounts for this factor:

Industrial Development Density Overview

Market Area	Total Building Area	% of Total Buildings	Study Area (Sq. miles)	% of Study Area	Penetration Rate
Interstate 4 Area	1,116,291	16.79%	5	11.4%	148%
NW Sanford	3,249,640	48.87%	9	20.5%	239%
SW Sanford/Lk Mary	850,265	12.79%	11	25.0%	51%
Airport Areas	1,432,700	21.55%	19	43.2%	50%
Totals	6,648,896	100.00%	44	100%	100%

The table above shows that though the Northwest market contains 49% of the developed buildings, the defined sub-market contains only about 20% of the total study area. Therefore the density of development in the submarket is much greater than some other areas. In particular, the Airport area contains 22% of the buildings development but makes up over 43% of the market studied, indicating a relatively low density of development for industrial uses.

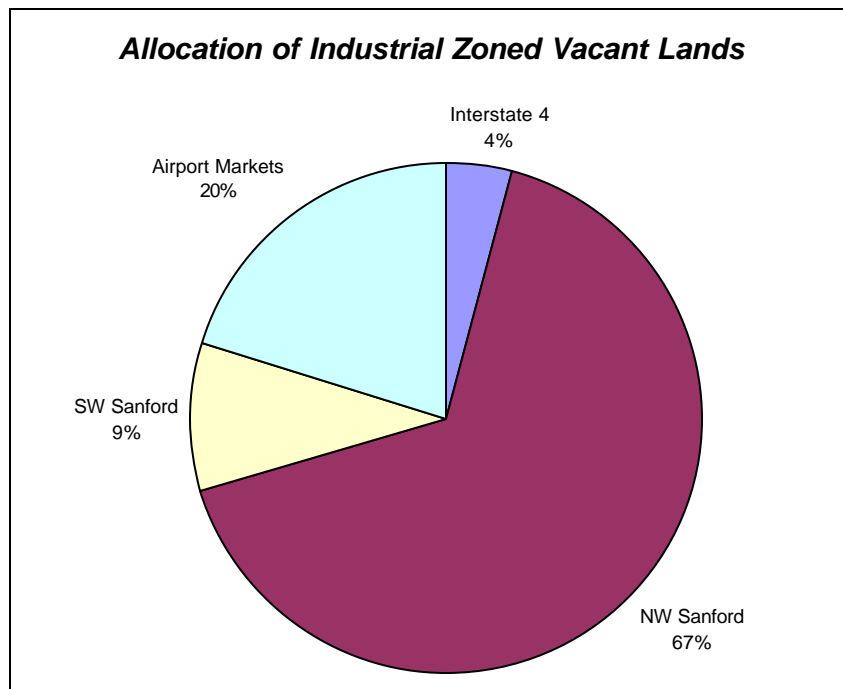
INDUSTRIAL LAND SURVEY

The preceding analysis reflected the history of the market area and the current allocation of industrial uses in the Sanford area. The next step in our analysis is to estimate the available lands for industrial development. The first step of this analysis is to compile a summary of lands currently zoned for such uses. We have also reviewed the future land use plans for Seminole County, the City of Sanford and the City of Lake Mary that are within the study area to determine the amount of lands targeted for potential future development of industrial uses. A summary of the current supply data per the tax rolls for the market area is as follows:

Sanford Area Industrial Zoned Lands

Sub Market	Zoned Lands (Acres)	% of Total
Interstate 4	41.48	4.26%
NW Sanford	643.09	66.11%
SW Sanford	90.24	9.28%
Airport Markets	197.95	20.35%
Total Lands	972.75	100.00%

Source: Seminole County Tax Rolls



The graphic and table shows that there are around 1,000 acres of vacant land designated for industrial uses by the Seminole County Appraisers' office in the market area studied. Most of these lands are found in the western areas of the city where industrial development has been most pronounced during the last few years.

However, the totals are somewhat misleading and are believed to grossly understate the actual lands available for such development. Our database was extracted from Seminole County records and does not show lands with commercial zoning which would also allow for industrial development. Also, our data excludes partially developed tracts where significant capacity for added development exists. Further, lands that may be labeled as something other than industrial land uses within the Property Appraisers' database have also been excluded.

Supply Observations and Conclusions

Our earlier study of Buildout history shows that about 1.75 million square feet of industrial space was developed in the entire market study area between 1990 and 1999 or an average of 195,000 to 219,000 square feet per year over the past 8 or 9 years. A conservative site coverage ratio of about 10% would reflect absorption of about 45 to 50 acres per year at this rate. (The actual absorption is likely less than this amount because many buildings have a higher coverage ratio than the 10% used for our illustration).

Based on the conservative estimate of 972 acres of lands available, the recent history of development would suggest that there is a 19 to 22 year supply of industrial-zoned lands in the Sanford market area. This estimate is likely understated for the reasons noted above and because our data excludes the lands with a future land use designation for industrial development in the Sanford Area discussed in the next section of our study.

Though the data may not show an exhaustive list of the existing zoned lands, the available data does show that there is adequate available inventory to meet the demands of the Sanford industrial market for many years with the existing availability of lands in the market area studied.

FUTURE INDUSTRIAL LANDS

In addition to the existing zoned lands, there are large areas around the Orlando Sanford Airport (and other areas within the market) which are designated for future industrial or similar uses. These lands are available for development in that they can be readily zoned for such purposes once a user or owner has a need for such re-zoning. The inventory of these lands is depicted in the following table and graphic:

As noted earlier, the existing development patterns show that the absorption of lands for industrial uses has been from about 45 to 50 acres per year for the entire area. Using this benchmark, the lands surrounding the east and south side of the airport with a FLU for Industrial development would equate to a 28 to 32 year supply of lands *in addition to the 20+ year supply of lands already zoned for these uses identified in our survey.*

We note further that much of the lands described surrounding the airport at present have very little if any of the infrastructure needed for development and will not be likely candidates for extensive development until such time as services are in place to support development.

Comments, Observations & Conclusions

Based on our evaluation of the information provided, it is our opinion that continued demand will be for sites to the west and southeast of the City of Sanford and along primary corridors such as the subject locale. There is no development expected in the short run on vacant industrial lands to the east and south of the airport in until such time as infrastructure is available and demand for such use becomes manifest. As of the current date, there is little activity that would suggest that immediate demand will increase for these lands for industrial-type uses in the short term while such a large supply of available lands exist in more prominent areas of the market and in areas to the west of the airport.

The subject neighborhood is considered to be within the growth stage of its life, however. Development patterns exist due to the growth patterns in east Seminole County, and it is expected that growth will continue for the long term. The outlook for the neighborhood is good, and there are no signs of external obsolescence that would affect the subject site if put to its highest and best use.

SUBJECT PROPERTY

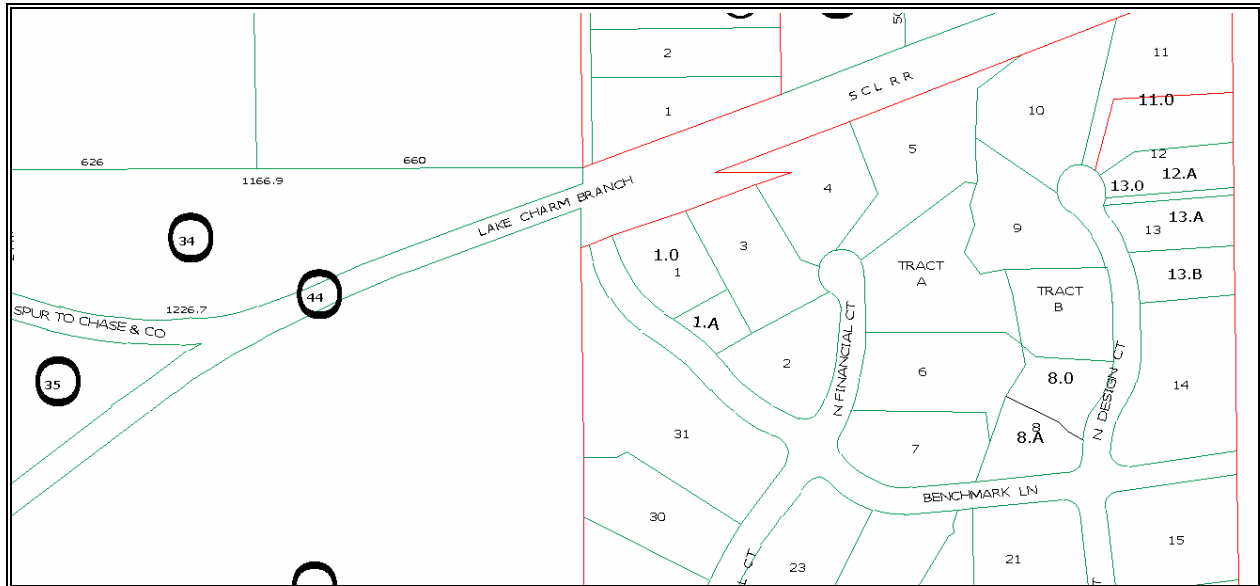


SITE DESCRIPTION

Location

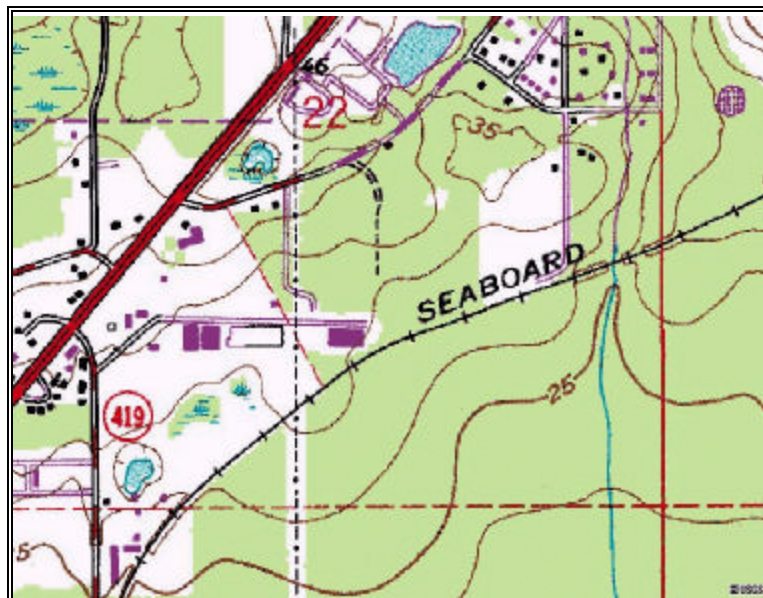
The property is located at the northwest corner of Benchmark Lane and North Financial Court within the Midway Commerce Center in Sanford, unincorporated Seminole County, Florida. The street address is 5497 Benchmark Lane.

Size/Configuration



The site is triangular in shape and contains a total area of approximately one acre, or 43,560 SF. There is approximately 496 feet of road frontage along the northeast side of Benchmark Lane, 492 feet along the west side of North Financial Court, and a depth of 253 feet.

Topography

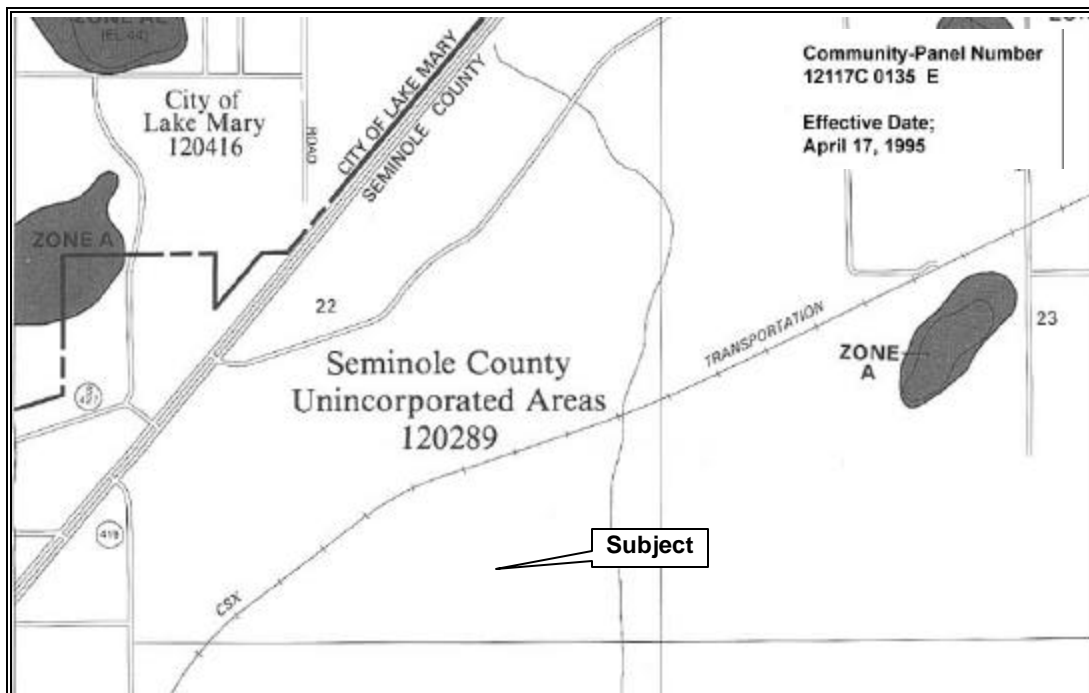


The subject property appears to be generally level and near road grade with the two roads that it fronts. Drainage appears adequate. There is on-site drainage.

Access & Exposure

The property is conveniently accessed via State Road 434 or U.S. Highway 17-92 to County Road 427 and into the Midway Commerce Center.

Flood Hazard



Based on Community Panel No. **12117C-0135 E**, effective **April 17, 1995**, of the Flood Insurance Rate Maps of the National Flood Insurance Program, that the property is located in **Zone "C"** which is an area of minimal flooding.

ZONING

The property is zoned **M-1, or Industrial**, by Seminole County. This zoning classification allows for industrial uses similar to the subject. After further determination, the subject appears to be in legal compliance to current zoning regulations. The zoning regulations can be found within the addenda of this report. According to Seminole County, the subject site has a future land use designation as **"Industrial"**.

SUMMARY

The site is adequate in size, topography and shape to support its existing development. There appeared to be no adverse site conditions that would affect value. The subject site is well suited for continued use as improved as a multi-tenant industrial building.

DESCRIPTION OF IMPROVEMENTS

The building improvement description for the subject is based upon the appraisers' inspection and information provided by the property owner.

The subject of this appraisal consists of a multi-tenant industrial building containing a total of 12,900 SF. The building will be 61.5% owner-occupied by its existing tenant (and buyer), Champagne Pools of Central Florida. The building has 11,400 SF on the first floor, and 1,500 SF (office on the second floor). Champagne Pools of Central Florida will occupy 3,000 SF of office area, and 3,697.50 SF of warehouse storage area (which is the space they currently occupy). The balance of the space is divided into three industrial warehouse units, of which two contain a small air-conditioned office area, each of which contain 1,232.5 SF. These units are vacant. The third, end warehouse unit is also vacant and contains two adjoining warehouse units that contain a total of 2,505 SF.

The salient construction specifics are summarized as follows:

Building Type:	General Industrial. Improvements are currently 61.5 leased and soon to be owner-occupied by Champagne Pools of Central Florida.
Year Built:	1995 – per Seminole County Tax Records
Construction Type:	Eight-inch concrete block with a textured stucco exterior finish.
Foundation:	Concrete finish. Reinforced concrete.
Eave Height:	Approximately 12 feet (17 feet at fascia). The second floor office area has an eave height of approximately 20 feet.
Roof:	Steel Frame Structure and Modular Metal Covering.
Interior Finishes:	The office area is of good quality, with 3,000 SF total in the front of the building. This is a climate-controlled area with good quality ceramic tile, wood flooring (second floor office), and carpeting. The three tenant bays each have a small single office room that is used for office support for the business tenant. The warehouse area in each part of the building is standard, Class C distribution /

storage area. There is grade-height loading and unloading areas for each of the three.

Lighting:	Fluorescent lighting.
HVAC:	Wall unit inside office areas of small, individual tenant warehouse/office areas as described before. The main office area in the front of the building (containing 3,000 SF) is serviced by HVAC system.
Parking:	Approximately 28 marked parking spaces.
Access:	Benchmark Lane.
Plumbing:	The 3,000 SF office area contains two restrooms on the first floor, and one restroom with two fixtures on the second floor. The individual rental bays each have one restroom, with the last warehouse bay containing two restrooms since it is comprised of two adjoining units.
Fixtures:	None

CONDITION & FUNCTIONAL UTILITY AND OTHER FEATURES

Improvements are adequate in design and functionality for its industrial use. The building is in average condition with only minor signs of deferred maintenance that include some interior painting and carpet replacement in the small offices that service the tenant industrial bays. We have estimated a total cost to cure the deferred maintenance of approximately \$2,500.

The actual age of the building is five years. It was originally constructed in 1995. The estimated total economic life is 45 years, indicating a remaining estimated economic life of 40 years. The resulting physical depreciation ratio is therefore 11.11% (12 years divided by 45 years).

UTILITIES & SERVICES

Seminole County provides water service. There is an on-site septic tank system. Telephone service is provided by BellSouth. Electricity is provided by Florida Power Corporation.

REAL ESTATE TAXES

The property is assessed and taxed by Seminole County, under Tax Parcel Identification No. 20-30-22-510-0000-0020. As of inspection, the site had been assessed at \$ [REDACTED] for 2000, and \$315,158 for building and extra features, indicating a total assessed value of \$ [REDACTED]. The total 2000 taxes have amounted to \$ [REDACTED]. According to Seminole County, there are no delinquencies, and 2000 taxes have not been paid.

KNOWN EASEMENTS

Typical utility easements exist. A survey was not provided, and we reserve the right to modify this report if a formal site survey is provided that shows additional easements or encroachments not noted.

HIGHEST & BEST USE

In estimating the highest and best use of the property, we have considered those uses that are legally permissible, physically possible, economically feasible, and which would result in the highest return to the land. Consideration has been given to the features of the land such as zoning, size, shape, location, access, availability of utilities, surrounding land uses, and the demand for property in the current real estate market.

The highest and best use concept recognizes the contribution of the contemplated use to the community development and environmental goals, as well as the individual property owner's wealth maximization. This analysis considers the legal, physical and economic factors which affect the property. In the appraisal practice, the Highest and Best Use Analysis is the foundation upon which the valuation of a property is based.

Two highest and best use estimates are considered in the valuation of the property. The first analysis represents the highest and best use of a property as if vacant and available for development. The second estimate of highest and best use pertains to the use of the property as improved. In the discussion of the highest and best use as improved, the contribution of the improvements to the overall property value are analyzed.

HIGHEST & BEST USE AS IF VACANT

Legal Considerations

The legal considerations pertain mainly to the zoning and Land Use Plan which dictates the type and intensity of allowable development for the site. The property is zoned M-1; or Industrial; by Seminole County. The purpose of the district is to provide areas within the county that would accommodate general commercial uses and that would be homogenous and compatible with surrounding industrial land uses.

Physical Considerations

The physical considerations affecting a site generally address the type and size of development that a particular site will support. The subject is irregular in shape, with adequate access and exposure. The total land area is approximately one acre, or 43,560 SF. The site's physical characteristics, such as size and topography, do not limit the development potential. Therefore, from a physical standpoint, the highest and best use of the property, as if vacant, would be for its development with general industrial uses that would be homogenous and compatible with those uses found in Midway Commerce Park. This is in tandem with surrounding land uses and the development potential of the site.

Economic Considerations

The economic factors affecting a site usually relate to the supply/demand factors found in the surrounding neighborhood or submarket. The subject is located in the industrial neighborhood of Midway Commerce Park in Seminole County, Florida. This sub-market has approximately 90-100% occupancy, with many of the facilities being owner-occupied structures. The area has experienced relative stability over the last several years, which has caused level demand and in turn created a sound submarket. Our analysis of the submarket indicates a stable environment with good prospects for continued stability.

Conclusion

The subject property enjoys a good location within the central Seminole County market. Based on the occupancy rate for existing industrial buildings within the neighborhood, as well as continued demand for existing space, it is our opinion that the highest and best use of the site, as if vacant, would be for its development as a general industrial building that would maximize the site's potential.

HIGHEST & BEST USE AS IMPROVED

At the date of valuation, the property was improved with a general industrial building containing a total of 12,900 SF of gross building area. The improvements were in average to good condition at the date of inspection and are functional in design. Based on the characteristics of the subject and its environs, it is our opinion that the highest and best use of the property, as improved, is for continued use of the subject improvements as a general industrial facility, based on the following:

- **Legally**, the improvements are in compliance with existing M-1 County zoning regulations and industrial future land use classification.
- **Physically**, the improvements are well situated on the site and are within typical floor area ratios of competing properties.
- **Economically**, as proven within the Income Approach, the improvements appear to provide an adequate return to land and building. There is no alternate use of the subject improvements other than general multi-tenant industrial use that would be considered economically feasible.

Therefore, we have concluded that the highest and best use as improved is for continued industrial use. This also takes into consideration a discount for deferred maintenance as we have estimated at \$2,500, and deductions for lease-up of the vacant industrial space.

APPRAISAL PROCESS

In this appraisal we have applied the Cost Approach, Sales Comparison (Market) Approach and the Income Capitalization Approach. We have reconciled a value estimate from the three approaches. After careful examination, emphasis is placed on the approach(es) that appears most reliable and a final value estimate is concluded.

The **Cost Approach** is defined as, "That approach in appraisal analysis which is based on the proposition that the informed purchaser would pay no more than the cost of producing a substitute property with the same utility as the subject property." This approach provides a good indication of value when the property being appraised involves relatively new improvements that represent the highest and best use of the land or to value special use properties.

The **Sales Comparison Approach** is defined as, "an appraisal procedure in which the market value estimate is predicted upon prices paid in actual market transactions and current listings. The process involves analyzing sales of recently sold properties in order to derive an indication of the most probable sales prices of the property being appraised. In this analysis, comparable sale transactions were identified and utilized.

The **Income Approach** is defined as, "the procedure in appraisal analysis which converts anticipated benefits (income) to be derived from the ownership of property into a value estimate". The Income Approach is widely applied, though, in appraising properties similar to the subject.

The value indications produced by the application of the foregoing approaches to value are then reconciled into a final value conclusion for the property. We have used all three approaches to value, recognizing that:

- The improvements are five years old, thus, providing a somewhat reliable Cost Approach Value Indicator. This considers an effective age of five years.
- Meaningful improved sales were found, thus making the Sales Comparison Approach a reliable value indication.
- A Direct Capitalization method was used in the Income Approach, recognizing that after the sale, the subject will be a predominate owner-occupied facility with three multi-tenant industrial suites (possibility of four).

COST APPROACH

OVERVIEW

The first step in this approach is to estimate the Market Value of the land as if vacant, via the Sales Comparison Approach in which comparable land sale transactions are analyzed and for their comparability to the subject property. The next step is to estimate the replacement costs new of the subject improvements. Construction estimates were derived from the development costs provided by the owner and by using our independent cost analysis via Marshall Valuation Service (and indirect impact fee estimates derived from the respective jurisdictional authorities). We then considered any appropriate physical depreciation to arrive at a contributory value of the improvements; and when added to the estimated land value, a resulting value indication was made via the Cost Approach.

LAND SALES ANALYSIS & ADJUSTMENT DISCUSSION

In order to estimate the value of the site, we have employed the Sales Comparison Approach. In this analysis we have reviewed and analyzed four sales of industrial zoned land in the Sanford market.

We attempted to confirm three recent closed land sales in the Midway Commerce Center market, but were unsuccessful in doing so. However, for supplemental purposes, we have provided the following discussion:

Land Sales - Midway Commerce Center

Lot 24 and part of Lot 25 (2777 Financial Court South) sold for \$██████, or \$██████/SF. This is a one-acre site. The sale date was May 2000, according to OR Book 3859, Page 1823 of the Public Records of Seminole County, Florida.

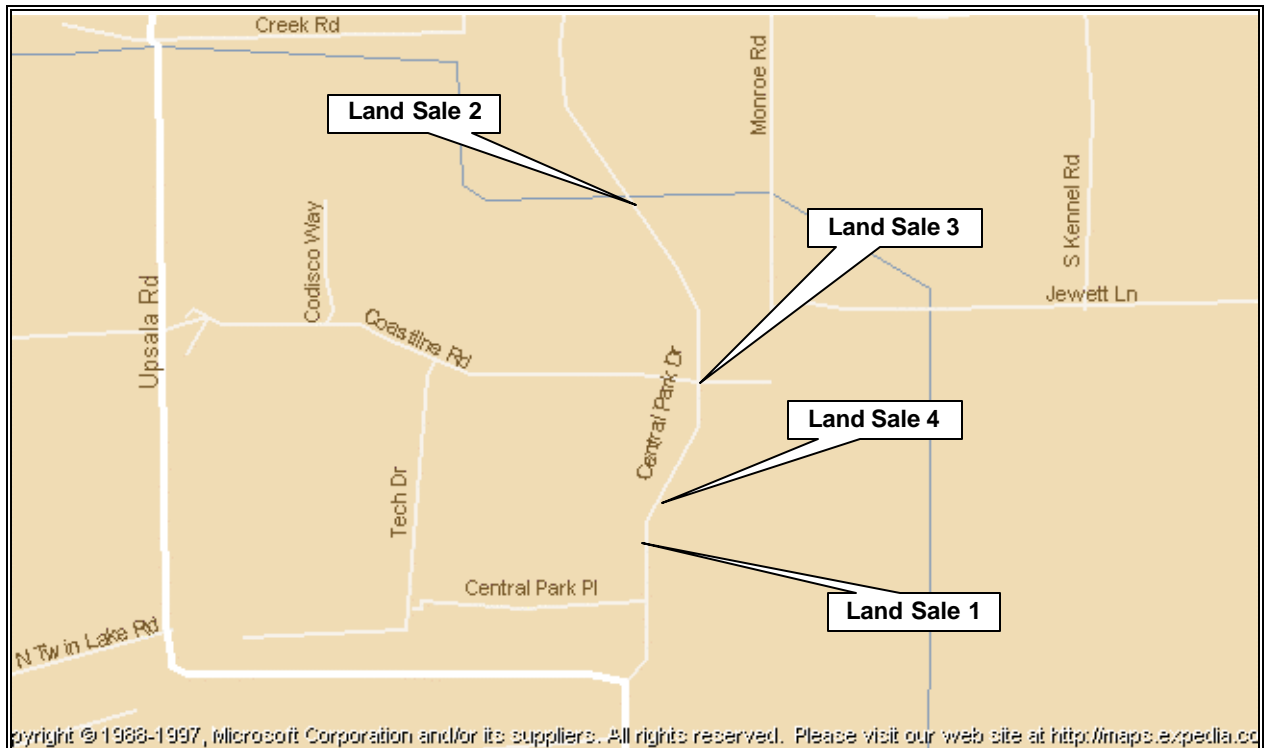
Lots 4, 5, 9 and 22 (2704 Financial Court North) sold in September 1999 for \$██████/SF, or \$██████, according to OR Book 3923, Page 0712 of Seminole County, Florida. This site contains a total land area of 156,166 SF, or 3.59 acres.

Lots 6 and 7 (2729 Financial Court North) sold as vacant land in November 1994 for \$██████/SF, or \$██████. This is the sale of a total of 0.40 acre, or 77,079 SF. This sale was recorded in OR Book 3437, Page 47 of Seminole County, Florida.

Again, these sales were provided for discussion purposes only, yet the terms of the sales have not been confirmed due to the difficulty in contacting the participating parties.

Market Confirmed – Land Sales

The comparable sales that we were able to confirm were analyzed based on the price paid per square foot of land area, which is the most common unit of comparison for commercial land. The unadjusted price of the comparables ranged from \$2.78 to \$3.03/SF. On the facing page is a summary of the sale properties considered.



A brief discussion of the land sales are considered in our valuation as follows:

Comparable Land Sales No. 1 sold in March 2000 for \$120,000, or \$[REDACTED]/SF. This is the sale of a vacant industrial site located at 1200 Central Park Drive within the Sanford Central Park (Lot 38). It was purchased like the subject for future industrial development. This site contains a total of 39,640 SF, or 0.91 acre.

This sale has been adjusted downward 5% for its superior location, and downward 5% for its superior utilities. The adjusted sale price is \$[REDACTED]/SF.

Comparable Land Sale No. 2 sold in January 2000 for \$ [REDACTED], or \$ [REDACTED]/SF. This is the also the sale of a vacant industrial site located at 751 Central Park Drive within the Sanford Central Park (Lots 33 and 34). It was purchased like the subject for future industrial development. This site contains a total of 68,389 SF, or 1.57 acres, as follows:

- Lot 33: 38,333 SF
- Lot 34: 30,056 SF

This sale has been adjusted downward 5% for its superior location, and downward 5% for its superior utilities. The adjusted sale price is \$ [REDACTED]/SF.

Comparable Land Sale No. 3 sold in June 1999 for \$ [REDACTED], or \$ [REDACTED]/SF. This is the sale of a vacant industrial site located at 1001 Central Park Drive within the Sanford Central Park (Lot 29). It was purchased like the subject for future industrial development. This site contains a total of 51,400 SF, or 1.18 acres.

This sale has been adjusted downward 5% for its superior location, and downward 5% for its superior utilities. The adjusted sale price is \$ [REDACTED]/SF.

Comparable Land Sale No. 4 sold in February 2000 for \$ [REDACTED] SF. This is the sale of a vacant industrial site located at 1101 Central Park Drive within the Sanford Central Park (Lot 27). It was purchased like the subject for future industrial development. This site contains a total of 27,878 SF, or 0.64 acre.

This sale has been adjusted downward 5% for its superior location, and downward 5% for its superior utilities. We also adjusted this sale downward 5% for its smaller land size. The adjusted sale price is \$ [REDACTED]/SF.

CONCLUSION

In our valuation of the subject we have considered the land sales which indicate an adjusted value range of \$ [REDACTED] to \$ [REDACTED] SF.

We have "bracketed" these sales to the supplemental sales discussed earlier, which are located in the subject commerce center. These sales suggested a value range of between \$ [REDACTED] and \$ [REDACTED]/SF.

We have opined to a unit value of \$ [REDACTED]/SF, taking into consideration the subject site, the diminishing inventory within the subject industrial park, and overall demand within the area. Our estimated market value of the subject as vacant is as follows:

[REDACTED]

IMPROVEMENTS COST ESTIMATE

Development cost data is typically analyzed on a price per square foot of building area. We performed our own cost comparison estimate using the MVS, a nationally recognized cost service that permits refinements where necessary. Using MVS, a recognized national cost estimating service, the base structure cost for subject was estimated. Local and current multipliers were then applied to provide an estimated development cost as of the valuation date.

Independent Cost – Marshall Valuation Service

Cost estimates provided by MVS include typical site preparation, utility connections, and soft costs such as architectural/engineering fees, professional fees, and contractor's overhead. However, these costs do not include items such as entrepreneurial profit, land acquisition costs, special assessments, impact fees, on and off-site costs associated with the development and site improvement costs. We have estimated the additional indirect costs (excluding entrepreneurial profit and land acquisition) at 5% of direct costs based on our familiarity with cost comparables.

Based on MVS definitions and general descriptions, the property consists of Class C, Average quality Class S industrial building (Section 14, Page 23) with a base cost of \$█████/SF, and Average Quality, Class C Office Building (Section 15, Page 17), with a base cost of \$█████/SF. The refined cost for these classifications are \$█████/SF and \$█████/SF, respectively, adjusted for local, perimeter, story-height and current cost modifiers.

Addition of other site improvements, as well as Indirect Costs based upon 5% of Direct Costs, plus a 12% entrepreneurial profit of improvements and land, results in an indicated cost "new" of the improvements of \$█████.

Depreciation

We deducted \$█████ in previously estimated deferred maintenance, and then established a basis of cost of \$█████ to apply an age/life depreciation ratio of 11.11%. This is based on the estimated effective age of five years divided by the total expected economic life of 40 years. The resulting depreciation is therefore 57,328.

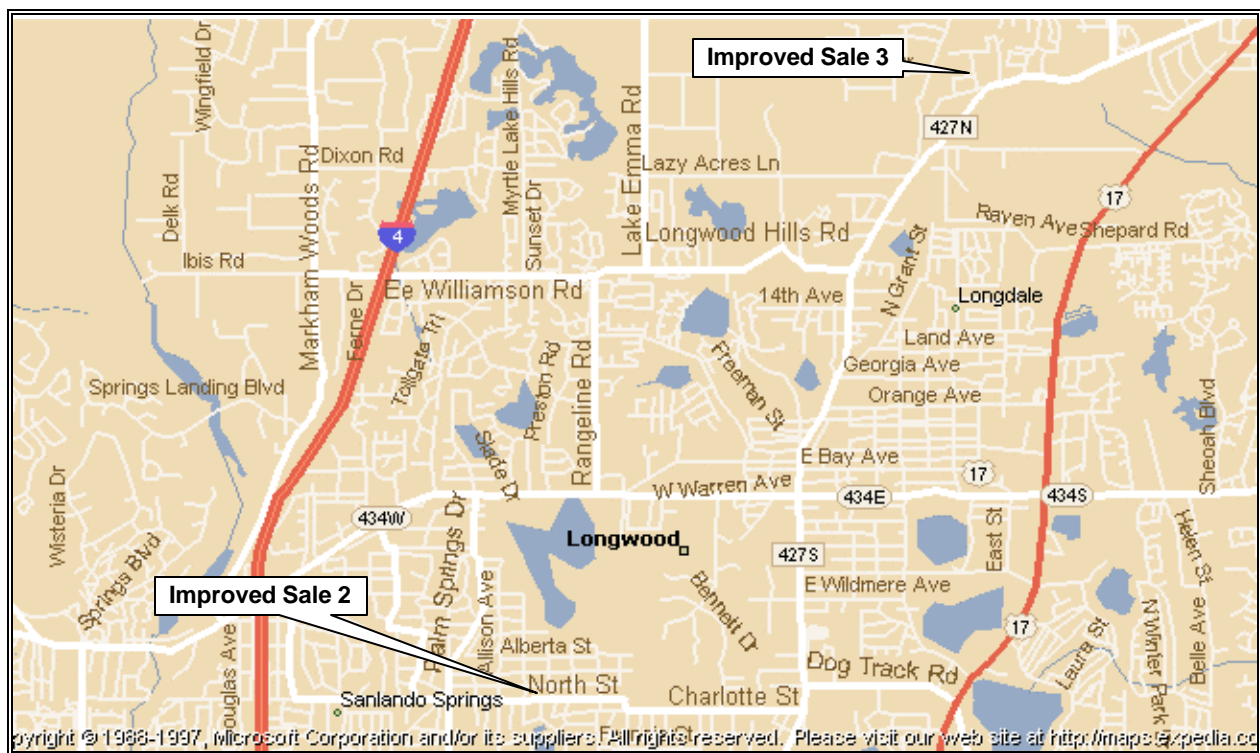
Conclusion

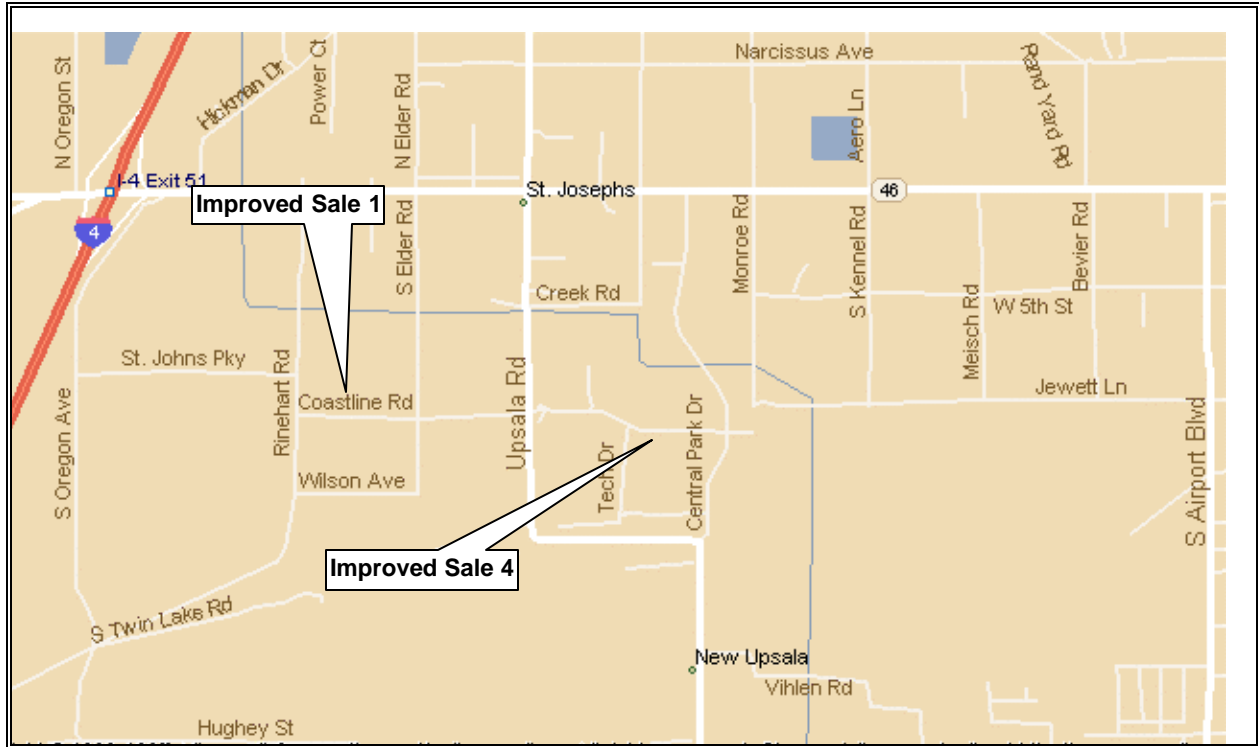
We added the depreciated contributory value of the improvements of \$█████ to the previously estimated land value of \$█████ but subtracted an estimate of \$█████ that is required to bring the property to a stabilized occupancy due to the vacancy of three industrial tenant bays (currently 38.5% vacant). Our value estimate via the Cost Approach is therefore \$█████.

SALES COMPARISON APPROACH

The Sales Comparison Approach is based upon a comparison of prices paid for similar properties in similar markets, representing bona fide, arm's length transactions. This approach works best in an active market where prices serve as strong indicators of the most probable selling price of the subject. We have reviewed a variety of sales in the tri-county area over the last few years.

In analyzing the comparable improved sales, to arrive at an indication of value for the property, we have relied on the sale price per square foot of total building area as the most meaningful unit of comparison. As it is one of the most recognized units of comparison typically utilized by market participants for properties of this type. The facing chart summarizes the pertinent data obtained from the analysis of the comparable improved sale properties utilized in this report.





Comparable Improved Sale No. 1 – sold in February 1999 for \$ [REDACTED], or \$ [REDACTED] per square foot. This is a sale of a 4,147 SF industrial building located at 105 Coastline Road in Sanford, Florida. According to verification, the property sold at market levels even though the corporation sold to a relate party. As a result, we have placed least weight on this sale.

The underlying site contains 1.17 acres, or 50,965 SF. The building was constructed in 1997. We adjusted this sale downward 15% for its smaller building size, and downward 10% for its superior land to building ratio. The adjusted sale price is \$ [REDACTED]/SF.



Sales Information:

- Buyer – Nicholas and Carol Andreyev
- Seller - Andreyev Engineering
- Sale Date - February 25, 1999
- Sale Price - \$ [REDACTED]
- Sale Price/SF - \$ [REDACTED]
- OR Book/Page - 3598-1967
- Conditions of Sale - Arm's Length
- Confirmed By - Richard A. Best, MAI
- Financing - \$ [REDACTED] Mtg.

Comparable Improved Sale No. 2 –sold in April 1999 for \$ [REDACTED]. This is the sale of a 12,000 SF industrial building that is located at 578 North Street in Longwood, Florida. This building contains 12,000 SF and is situated on a 30,225 SF site, with an indicated land to building ratio of 2.52:1. Improvements were constructed in 1984.

We made an upward adjustment of 10% for the inferior quality and climate controlled area, and an upward 5% adjustment for age. The adjusted sale price is \$ [REDACTED]/SF.



Sales Information

- Buyer – Nelson Plastics, Inc.
- Seller - JLP Investments
- Sale Date - April 1999
- Sale Price - \$ [REDACTED]
- Sale Price/SF – \$ [REDACTED] SF
- OR Book/Page - 3637/1827
- Conditions of Sale - Arm's Length
- Confirmed By - Richard A. Best, MAI
- Financing - \$ [REDACTED] Mtg. – Federal Trust Bank

Comparable Improved Sale No. 3 - sold in May 1999 for \$ [REDACTED], or \$ [REDACTED]/SF. This is the sale of a 7,200 SF industrial building that is located at 2000 Tree Fork Lane in Longwood, Florida. The underlying site contains 42,776 SF, with an indicated land to building ratio of 5.94:1.

We adjusted this sale upward 5% for its inferior quality and air controlled area, and upward 5% for its inferior age. We made a downward 5% adjustment for its smaller building size. Finally, we made a downward 5% adjustment for its superior land to building ratio. The adjusted sale price is \$ [REDACTED]/SF.



Sales Information

- Buyer – Ana and Harris Lo
- Seller - Terence and Candace Bennett
- Sale Date - May 1999
- Sale Price - \$ [REDACTED]
- Sale Price/SF - \$ [REDACTED]
- OR Book/Page - 3656/1364
- Conditions of Sale - Arm's Length
- Confirmed By - Richard A. Best, MAI
- Financing - \$ [REDACTED] – First Union Bank

Comparable Improved Sale No. 4 - sold in February 1999 for \$[REDACTED]/SF. This is the sale of a 13,960 SF industrial building situated on a 91,772 SF site. The improvements were constructed in 1996. The indicated land to building ratio is 6.57:1.

This sale was adjusted upward 10% for its inferior quality and climate controlled area, and downward 5% for its superior land to building ratio.

The adjusted sale price is \$[REDACTED]/SF.



Sales Information

- Buyer – Curtis and Cynthia Austin
- Seller - Darrell & Jacqueline Davis
- Sale Date - September 1999
- Sale Price - \$[REDACTED]
- Sale Price/SF - \$[REDACTED]
- OR Book/Page - 3716/1810
- Conditions of Sale - Arm's Length
- Confirmed By - Richard A. Best, MAI
- Financing - \$[REDACTED] Mortgage – Southern Community Bank and
\$[REDACTED] Seller Mortgage

CONCLUSIONS

In our valuation of the subject we have considered four improved sales that indicate an unadjusted value range of \$ [REDACTED] to \$ [REDACTED]/SF, with an adjusted price range of between \$ [REDACTED] and \$ [REDACTED]/SF. They are all located in overall similar sub markets, and as mentioned were the most recent and comparable sales available. It is our opinion that the subject has an "as-is" value towards the middle end of the range and based on:

- Condition of the improvements
- Layout and design.

The unit value is estimated at \$ [REDACTED]/SF, or \$ [REDACTED].

12,900 SF @ [REDACTED]/SF:

Less: Deferred Maintenance of \$ [REDACTED]

Less: Lease-Up Costs of \$ [REDACTED]:

Total Value Indication – Rounded:

	\$ [REDACTED]
)
[REDACTED])
[REDACTED])

Total Value Indication – Sales Comparison Approach:

\$ [REDACTED]

We are also aware to two sales that have occurred in the subject Midway Commerce Center Development. We were unable to confirm or verify these sales, yet public records showed the following:

- 2729 Financial Court North sold in June 1998 for \$ [REDACTED], as per OR Book 3437, Page 47. This equates to \$ [REDACTED]/SF when considering the existing building size of 12,000 SF as per tax records. Improvements were built in 1995.
- 2660 Design Court North sold in May 1999 for \$ [REDACTED], as per OR Book 3666, Page 1643. This equates to \$ [REDACTED]/SF when considering the existing building size of 5,250 SF as per tax records. Improvements were built in 1991.

These unconfirmed sales assist in establishing values within the subject market.

INCOME CAPITALIZATION APPROACH

In appraisal terminology with regard to income properties, a value is normally defined as the present worth of future rights to income. A value by this approach can be derived by capitalizing a single year's stabilized net operating income or by discounting the projected cash flows and reversionary value of the property over an anticipated holding period into a present value estimate. The first method is referred to as Direct Capitalization and the second method is Discounted Cash Flow Analysis. Due to the size and physical characteristics of the subject, we have used the Direct Capitalization Model.

The steps used in preparing this analysis are summarized as follows:

- Project the potential gross income for the subject.
- Determine an allowance for stabilized vacancy, credit, and collection losses. This estimate is based upon the anticipated down time due to tenant turnover, credit losses, and periodic fluctuations in rental revenue due to changes in the marketplace that are unforeseen.
- Estimate potential operating expenses and other charges based on reported operating expenses at other comparable properties and industry averages.
- Deduct vacancy and collection losses, as well as operating expenses from the gross potential income for the property in order to arrive at an appropriate estimate of the net operating income attributable to the property.
- Capitalize the net operating income at a market derived overall capitalization rate to obtain an indication of the value of the subject by the Income Capitalization Approach.

Revenue Forecast - Market

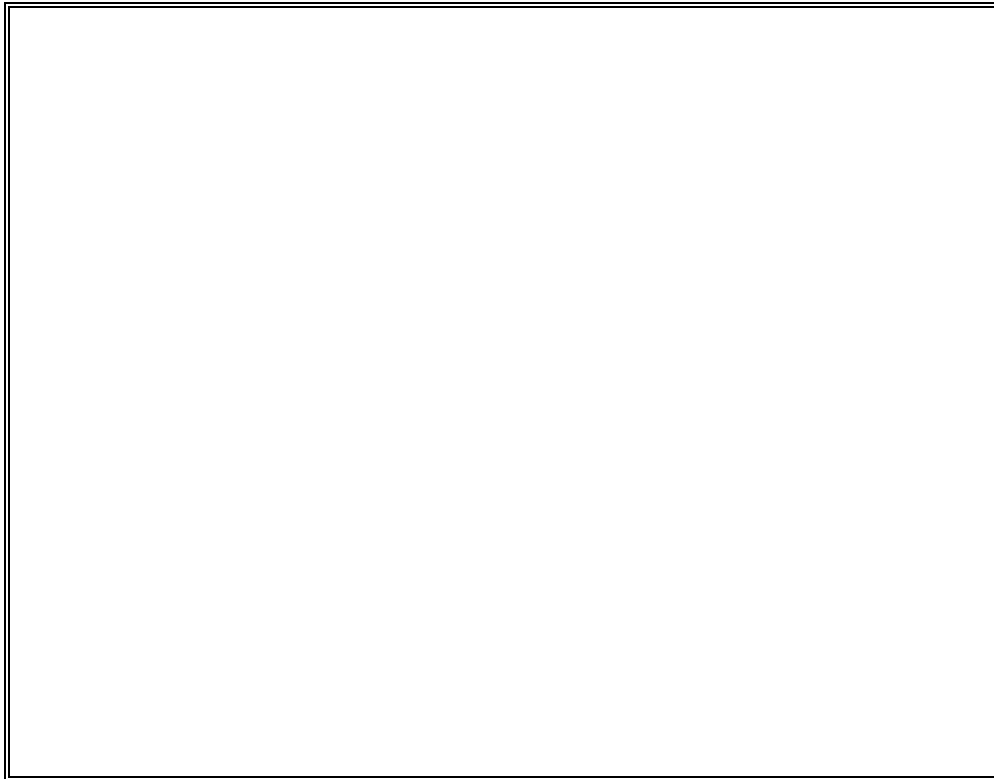
The subject tenant, Champagne Pools, is purchasing the property. They currently lease 7,930 SF, or 61.5% of the building. This lease will not be in effect after the tenant purchases the property. The remaining area is vacant, and is available for lease to three individual tenants.

We have applied a higher market rental rate to the space that Champagne Pools occupies, recognizing that almost 40% of their space is two-story office.

The following five comparable rental properties were analyzed as a basis for determining potential gross income for the subject.

Each of the comparable rental properties presented herein provides useful information in estimating the market rent for the subject. Photographs of each property follow. The following is a discussion of our findings.

Comparable Rental Summary					
	1	2	3	4	5
Name	Florida Central Commerce Park	Liquid Golf.com	Premier Series	Underdog Production	ORHS
Location	East side of Central Florida Parkway, just south of Bennett Road, Seminole County, Florida	East side of Vineland Road, north of Conroy Road. Suite 109	East side of Vineland Road, north of Conroy Road. Suite 111	East side of Vineland Road, north of Conroy Road. Suite 106	South Side of Pineloch Avenue, West of Orange Avenue
Address	1075 Florida Central Parkway	4501 Vineland Road	4501 Vineland Road	4501 Vineland Road	102 West Pineloch
Rentable Area	61,225 SF Total / 20,000 SF Surveyed	11,060 SF	6,311 SF	10,500 SF	9,400 SF
Year Built	1990	1985	1985	1985	1997
Loading Doors	Yes	Yes	Yes	Yes	Yes
Construction Type	Concrete – Tilt-Up	Masonry	Masonry	Masonry	Masonry
Eave Height	22-24 Feet	20-22'	20-22'	20-22'	20'
Lease Rate	\$5/SF	\$7/SF	\$8/SF	\$7/SF	\$9.40/SF
Rent Type	NNN	NNN	NNN	NNN	NNN
Lease Basis	5-Year Lease Beginning in 1999	5 Year Lease	5 year lease	5 Year lease	5 year lease



COMPARABLE RENTAL 1



COMPARABLE RENTAL 2



COMPARABLE RENTAL 3



COMPARABLE RENTAL 4



COMPARABLE RENTAL 5

Comparable Rental No. 1 is located at 1075 Florida Central Parkway in Longwood, Seminole County, Florida. This property is northeast of the subject. Improvements consist of a 61,225 SF office/warehouse building. The leasing agent reported a new lease of a 20,000 SF space for a term of three years at \$[REDACTED]/SF.

We feel that part of the subject (the space that is occupied by Champagne Pools) would be leased at a rate higher than this \$5/SF level. This is based on the subject's construction characteristics.

Comparable Rental No. 2 is located at 4501 Vineland Road, Suite 109. This is a recent lease to Liquidgolf.com. The total rentable area within this tenant space is 11,060 SF. Current terms are \$[REDACTED]/SF NNN, with the landlord paying management and reserves for replacement, while the tenant pays all other expenses. Eave heights are 20-22 feet, with dock height loading available. We feel that this rental rate would set the upper limit of rental rate projections for the subject. This property was 100% climate-controlled.

Comparable Rentals No. 3 and 4 are also located at 4501 Vineland Road, and are currently leased to Premier Services and Underdog Productions, respectively. These leases are currently based on five-year terms at \$[REDACTED]/SF and \$[REDACTED]/SF, respectively, on a net lease basis. The tenant sizes are 6,311 SF and 10,500 SF, respectively. Again, we feel that this rental rate range would set the upper limit for the subject. These tenant spaces are also reportedly 100% climate-controlled, thus being superior to the subject regarding climate-controlled space.

Comparable Rental No. 5 is located within Southgate, at 102 West Pineloch Avenue in Orlando, Florida. This industrial property is currently being leased to ORHS at a rate of \$[REDACTED]/SF NNN, with 45-50% office space. Rent increases within this facility are scheduled to increase at a rate of 4% per year. This rental rate was considered higher than the likely rental rate the subject could achieve due to its high ratio of office space (45-50%).

Given the higher ratio of office space, we feel that this comparison is superior to the subject. This property is also 100% climate-controlled, which is a superior characteristic to the subject.

RENT CONCLUSIONS

Taking into account the comparable rentals analyzed provides effective market rental rates of between \$[REDACTED] and \$[REDACTED]/SF, with rents hovering in the \$[REDACTED] range, NNN. Based on a consideration of comparable rental properties presented herein, it is our opinion that the market rent for the subject space occupied by Champagne Pools would be in the \$6.00/SF range, while the warehouse tenant areas (with little office area) would lease in the \$3.50/SF range. This is based on the following reasons:

- Good Interior build-out with part owner-occupied space
- Good locational appeal
- Good Condition

Vacancy & Collection Loss

Our review of available industrial space within the neighborhood indicates an overall vacancy of approximately 5% -15%. This level of occupancy has been maintained but slightly decreased for several years in the overall industrial market. However, the subject is a partly owner-occupied designed building, and we have applied a vacancy and collection loss rate of 10%. Therefore, this level of vacancy and collection loss has been estimated for the subject in this analysis, recognizing the higher downtime rent loss associated with a vacancy of the mix of tenant spaces.

Operating Expenses

The landlord/owner under a NNN lease normally pays for reserves for replacements of short-lived improvement components such as the mechanical systems, carpeting, etc. The landlord also pays management fees. Under a NNN lease arrangement, the tenant typically pays real estate taxes, insurance, and maintenance. It should be noted that expenses contained herein are based on gross building area, as they apply.

- Management was estimated at 4% of effective gross income.
- Reserves for Replacement were estimated at \$0.15/SF.

Total operating expenses are estimated at \$██████.

CAPITALIZATION

It should be noted that industrial buildings, such as the subject, are typically purchased by smaller investors and not by investors on a national level. Capitalization rates for investment grade properties tend to be in the 9.5% to 10.5% range. The sales used within this report were owner-occupied facilities, and capitalization rates from sales were not provided. We relied on the Band of Investment method and investors survey in determining overall rate analysis.

BAND OF INVESTMENT

It is important to note that the equity capitalization rate is based on an annual equity cash flow divided by a total equity investment. It is as opposed to an equity *yield* rate, which is typically higher. Correspondingly, the mortgage constant is a mortgage capitalization rate, or the total annual debt service divided by the principal loan amount.

The mortgage perimeters are based on those set forth under the subject financing scenario. The equity capitalization rate was derived from various investor sources including an interview with local brokers, as based on investor's expectations.

The perimeters are as follows:

- Loan Interest Rate is 9.00%
- Amortization Period is 20 years
- Equity capitalization rate is 9%

The following is a conclusion based on the Direct Capitalization Method:

MORTGAGE BAND OF INVESTMENT RATE				
Mortgage Ratio	X	Annual Constant		
75%	X	0.10796	=	8.098%
Equity Ratio	X	Ro		
25%	X	9.0%	=	2.25%
Overall Rate				

In addition, we have considered the CB Richard Ellis National Investor Survey, 3rd Quarter 2000, for Class C Warehouse / Distribution classifications. The reported range is between 9.25% and 13.0%, with an average of 10.02%. We have considered this study in determining a capitalization rate for the subject, yet recognize that these rates are based on a study of larger, investor-grade type industrial properties.

In rounding, we have concluded to an overall capitalization rate of 10.0% for the subject, recognizing,

- Quality and appeal of the property, yet higher risk associated with down time for the tenant mix and building design.
- Demand within the immediate area and the higher amount of vacant land awaiting development; thus providing a substitution for alternate development (i.e. build-to-suit and leaseback) if a prospective tenant is less reliant on the building style and characteristics the subject has to offer.

A summary of the calculations leading to a value conclusion for the subject property by the Income Capitalization Approach is shown on the following page. We also deducted lease-up and sales commissions costs for the vacant space, recognizing that the subject is currently only 61.5% occupied, and the owner will require an absorption of the vacant space with rent loss during the interim.

**INCOME APPROACH SUMMARY
 VALUE ESTIMATE**

Gross Potential Income –		
Champagne Pool Tenant Area – 7,930 SF @		\$ [REDACTED]
\$ [REDACTED]/SF		
Remaining Warehouse Space – 4,970 SF @		\$ [REDACTED]
\$3.50/SF		
Total Potential Gross Income		\$ [REDACTED]
Less: Vacancy & Collection Losses @ 10% of PGI		[REDACTED]
Effective Gross Income		\$ [REDACTED]
Less: Operating Expenses		
Real Estate Taxes	Tenant	
Insurance	Tenant	
Management – 4% of EGI	2,339	
Maintenance/Utilities	Tenant	
Reserves for Replacements - \$0.15/SF	<u>1,935</u>	
Net Operating Income		[REDACTED]
Capitalized at 10.00% (Rounded)		\$ [REDACTED]
Less: Deferred Maintenance		[REDACTED]
Less: Lease-Up Costs for Vacant Space, Including Commissions		[REDACTED]
Rounded		[REDACTED]

RECONCILIATION
As-Is Value

The Cost, Sales Comparison, and Income Capitalization approaches to value have provided the following indications of value for the subject property:

Cost Approach	\$ [REDACTED]
Sales Comparison Approach	\$ [REDACTED]
Income Capitalization Approach	\$ [REDACTED]

The Cost Approach is best suited for proposed or recently developed properties. Since the subject is five years old, we placed least weight on this approach to value.

The Sales Comparison Approach provides an indication of value for the subject by comparison with prices paid for similar properties. Appropriate units of comparison are extracted from the five comparable improved sales and applied to the subject to arrive at a value conclusion by the Sales Comparison Approach. The five sales analyzed in this report provide a good indication of a likely selling price of the subject. They are similar industrial properties like the subject. Primary weight is placed on this approach.

In valuing the subject, secondary reliance has been placed on the **Income Approach**, since the property is partly suited for owner-occupancy but also provides multi-tenancy characteristics.

In conclusion, most weight was placed on the Sales Comparison Approaches, while secondary weight was placed on Income Approach. Least weight was placed on the Cost Approach.

Based on the foregoing, it is our opinion that the "as-is" of the fee simple interest in the subject, on December 5, 2000, was:

[REDACTED]

[REDACTED]

ADDENDA

General Assumptions & Limiting Conditions
Definitions
Seminole County / Orlando Area Overview
Certification
Zoning Regulations
Copy of Contract for Purchase and Sale
Letter of Engagement
Qualifications
Representative Client List

GENERAL ASSUMPTIONS & LIMITING CONDITIONS

STANDARD

The legal description furnished is assumed to be correct.

We assume no responsibility for matters in legal character, nor do we render any opinions as to title, which is assumed to be good. This report contains a section entitled "Ownership and Sales History", which describes the recent title history of the subject property. This should not be construed to be a title search or a report of title. We render no opinion as to title, which is assumed to be good and marketable.

All existing liens and encumbrances have been disregarded, and the property is appraised as though free and clear, under responsible ownership and competent management.

Site plans, sketches, drawings and other exhibits in this report are included only to assist the reader in visualizing the property. We assume no liability for their accuracy.

We have made no survey of the property and assume no responsibility in connection with such matters.

The appraisers assume no liability for structural conditions not visible through ordinary inspection.

Information obtained from Public Records, files, Realtors, buyers and sellers, etc. was utilized in the preparation of this appraisal report. The information obtained from these sources was assumed to be accurate and correct. A reasonable effort has been made to verify all such information; however, no responsibility for its accuracy is assumed by this office.

The distribution of the total valuation in this report between land and improvement applies only under the existing program of utilization.

The separate valuation for land and building must not be used in conjunction with any other appraisal and are invalid if so used.

ENVIRONMENTAL

Our appraisal assumes that there are no hazardous materials on the property. We are not aware of the existence of potentially hazardous material(s) on the property. We are not qualified to detect such substances. We urge the client to retain an expert in this field if desired.

We are not aware of any soil or subsoil conditions which would affect the property. The discovery of soil conditions is beyond my area of expertise.

AMERICAN DISABILITY ACT

The Americans with Disabilities Act ("ADA") became effective December 26, 1992. The appraisers have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since there was no direct evidence relating to this issue, the appraisers did not consider possible non-compliance with the requirements of ADA in estimating the value of the property.

OTHER

Disclosure of the contents of this appraisal report is governed by the Standards of the Appraisal Institute.

Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers or the firm with which they are connected, or any reference to the Appraisal Institute or to the MAI or SRA designation) shall be disseminated to the public through advertising media, public relations media, news media, sales media or any other public means of communication without the prior consent and approval of the undersigned.

DEFINITIONS

MARKET VALUE

The definition of Market Value is as follows:

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

- 1) Buyer and seller are typically motivated;
- 2) Both parties are well informed or well advised, and each acting in what he considers his own best interest;
- 3) A reasonable time is allowed for exposure in the open market;
- 4) Payment is made in terms of cash and US dollars or in terms of financial arrangements comparable thereto;
- 5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

PROPERTY RIGHTS APPRAISED

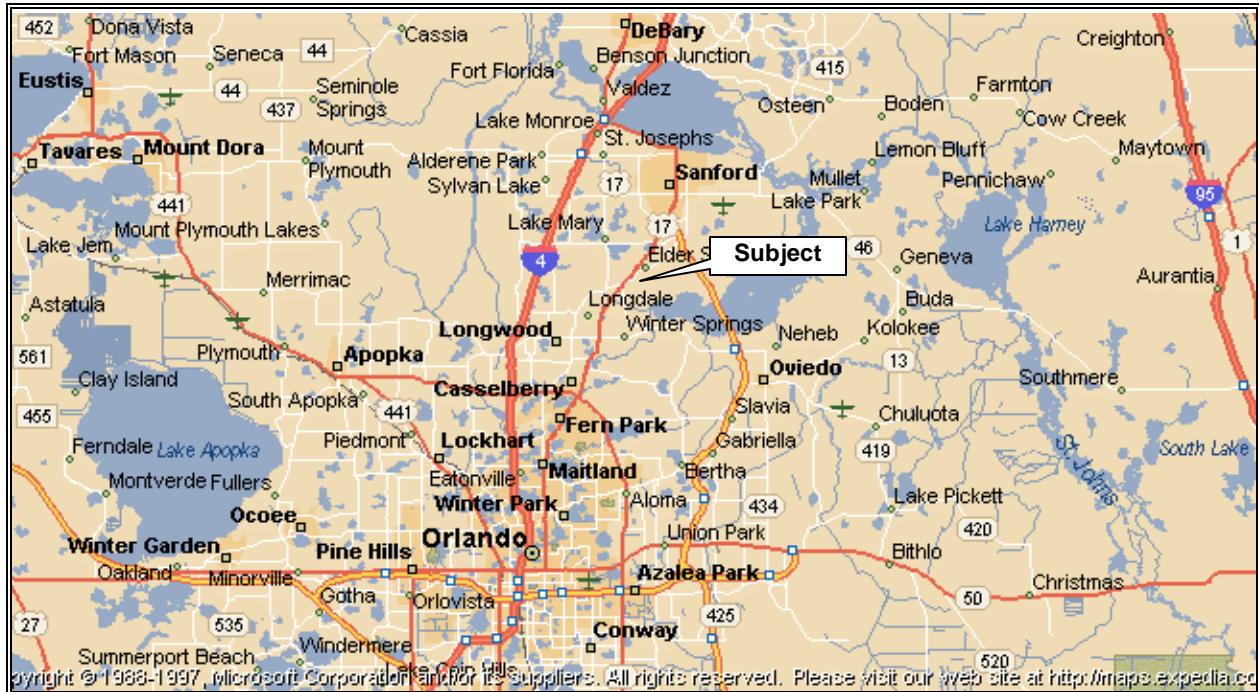
The property rights appraised herein are the Fee Simple Estate.

FEE SIMPLE ESTATE²

Fee simple estate is "absolute ownership unencumbered by any other interest or estate; subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."

² The Appraisal Institute, The Dictionary of Real Estate Appraisal, Third Edition, p.140.
00-243

SEMINOLE COUNTY / ORLANDO AREA ANALYSIS



INTRODUCTION

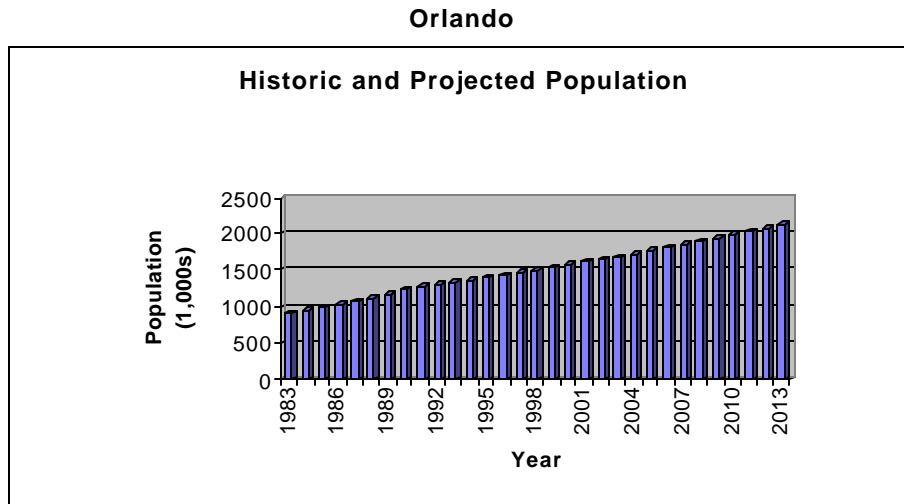
The economic vitality of the surrounding area, and the immediate neighborhood encompassing the subject property, is an important consideration in estimating future retail demand and income potential. Historic social, economic, governmental, and environmental forces which reflect the quantity and quality of retail demand provide a basis from which future estimates of demand can originate.

The subject property is located in unincorporated Seminole County, Florida. Our evaluation of historical, current and projected trends for this area will focus on a comparison to Florida.

A detailed demographic analysis of Seminole County, Orlando and Florida was conducted using information provided by the *National Planning Association*, a recognized industry source. Information supplied includes employment, population and income data.

POPULATION

Historic and projected population trends for Orlando are depicted in the following chart.



The population of Orlando, as seen in the accompanying table, increased at a compounded annual rate of 2.40% from 1993 to 1997. For the same time frame, Florida experienced a compounded annual growth rate of approximately 1.65%. Over the last fifteen years Orlando's average annual compound change was 3.42%, as compared to 2.24% for Florida. During the next 15 years, 1998 to 2012, both Orlando and Florida are expected to increase in population. It is anticipated that Orlando will experience increases at an average annual compound rate of 2.33%, while Florida's population is expected to grow at an average annual compound rate of 1.80% for this period. The short-term projections reflect growth rates that are higher than the 15-year estimates. Orlando's population is expected to increase at an average compound annual rate of 2.37% from 1998 to 2002 while the population of Florida is expected to increase at an average annual compound rate of 1.79% over the same five years.

The increase in population for Orlando and Florida appears consistent with recent trends for other geographic region. Both Orlando and Florida are anticipated to experience continued growth, with future estimates mirroring growth rates similar to those experienced in the past.

Population Trends Comparison					
		Florida		Orlando	
	<u>Year</u>	<u>Population (000's)</u>	<u>% Annual Change</u>	<u>Population (000's)</u>	<u>% Annual Change</u>
Historical	1983	10,749.9		916.2	
	1988	12,306.4	2.7%	1,120.0	4.1%
	1992	13,500.5	2.3%	1,302.9	3.9%
	1993	13,711.6	1.6%	1,333.9	2.4%
	1994	13,955.7	1.8%	1,363.8	2.2%
	1995	14,181.2	1.6%	1,391.6	2.0%
	1996	14,418.9	1.7%	1,426.4	2.5%
	1997	14,654.0	1.6%	1,467.1	2.8%
Projected	1998	14,876.9	1.5%	1,494.8	1.9%
	1999	15,094.2	1.5%	1,524.2	2.0%
	2000	15,401.8	2.0%	1,566.2	2.8%
	2001	15,710.6	2.0%	1,608.1	2.7%
	2002	16,017.2	2.0%	1,649.7	2.6%
	2007	17,560.3	9.6%	1,858.5	12.7%
	2012	19,151.1	9.1%	2,072.4	11.5%
	Average Annual Compound Change	Historical	Past 5 years	1.65%	
Past 15 years			2.24%		3.42%
Projected		Next 5 years	1.79%		2.37%
		Next 15 years	1.80%		2.33%

Source: NPA Data Services, Inc.; compiled by VIL

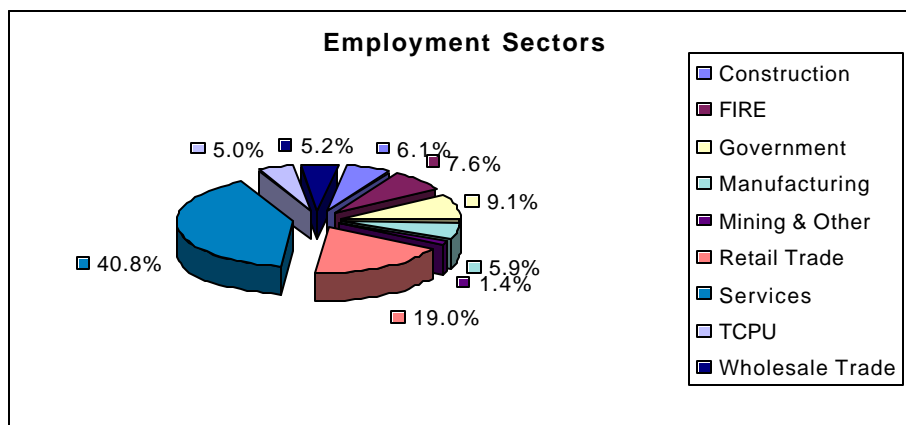
EMPLOYMENT

Employment trends for both Orlando and Florida are anticipated to follow a pattern similar to the population trends for these areas, although at slightly higher rates of increase. Employment trends for Orlando and Florida are presented in the accompanying chart. From 1993 to 1997, Orlando realized employment growth at an average annual compound rate of 4.03%. For the same time period, the average annual compound rate of growth for Florida was 3.25%. Similarly, these statistics indicate Florida surpassed Orlando in employment growth over the last fifteen years. Employment for Orlando grew at an average annual compound rate of 4.70% during this time frame, while Florida experienced 3.21% average annual growth. Estimates for the next five and fifteen year periods reflect rates of employment growth for Florida to be higher than the anticipated gains in employment for Orlando as a whole. From 1998 to 2002, Orlando is anticipated to experience a 3.99% average annual growth rate, while the long-term projection, 1998 to 2012, indicates a 3.35% average annual compound increase. For the same time frames, Florida is expected to grow at average annual compound rates of 2.83% and 2.47%, respectively. While employment gains do not correlate directly to retail demand, they do depict the underlying health of the economy. Historical and projected trends for Orlando indicate growth rates that exceed Florida's rate suggesting a competitive position within Florida.

Non-Farm Employment Trends Comparison						
		Florida		Orlando		
	Year	Employment (000's)	% Annual Change	Employment (000's)	% Annual Change	
Historical	1983	5,077.1		484.0		
	1988	6,352.2	4.6%	670.6	6.7%	
	1992	6,736.8	1.5%	755.6	3.0%	
	1993	6,977.7	3.6%	788.6	4.4%	
	1994	7,219.0	3.5%	814.8	3.3%	
	1995	7,455.6	3.3%	838.8	3.0%	
	1996	7,674.2	2.9%	882.3	5.2%	
	1997	7,906.0	3.0%	920.8	4.4%	
Projected	1998	8,153.2	3.1%	960.7	4.3%	
	1999	8,387.1	2.9%	1,001.0	4.2%	
	2000	8,620.3	2.8%	1,040.6	3.9%	
	2001	8,859.6	2.8%	1,080.7	3.9%	
	2002	9,089.3	2.6%	1,119.7	3.6%	
	2007	10,276.9	13.1%	1,318.6	17.8%	
	2012	11,404.6	11.0%	1,509.0	14.4%	
Average Annual Compound Change	Historical	Past 5 years	3.25%		4.03%	
		Past 15 years	3.21%		4.70%	
	Projected	Next 5 years	2.83%		3.99%	
		Next 15 years	2.47%		3.35%	

Source: NPA Data Services, Inc.; compiled by VIL

An analysis of the employment mix will further establish an understanding of the economies of Orlando and Florida, and how they relate to future real estate demand. The following pie chart depicts the current distribution of employment by industry.



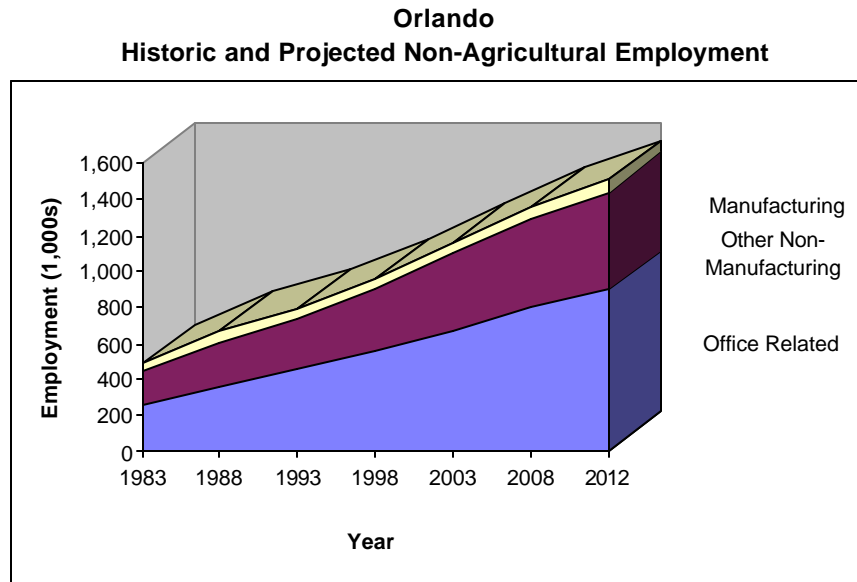
The preceding chart and accompanying tables show that in 1997, the largest employment sectors in the Orlando were Services (40.76%), Retail Trade (19.01%), Government (9.11%), and FIRE (7.58%). In 1997, Florida's largest employment sectors were Services (35.75%), Retail Trade (18.94%), Government (13.11%), and FIRE (8.30%).

As shown in the following table, historical trends for Orlando indicate the largest percentage gains in employment over the past fifteen years occurred within the Services and Retail Trade sectors with annual average compound growth rates of 7.07% and 5.22% respectively. Over the past five years significant activity has occurred in the Services and Construction sectors with annual average compound growth rates of 6.19% and 5.42%.

Non-Farm Employment Trends - Historical Orlando												
(in thousands)											Long	Short
	1983	% of Total	1988	1992	1993	1994	1995	1996	1997	% of Total	Term	Term
Total Employment	484.0	100%	670.6	755.6	788.6	814.8	838.8	882.3	920.8	100%	4.7%	4.0%
Construction	35.7	7.4%	51.4	42.9	45.2	47.4	49.2	53.2	55.9	6.1%	3.2%	5.4%
FIRE	45.0	9.3%	59.7	58.9	61.3	63.4	65.5	68.0	69.8	7.6%	3.2%	3.5%
Government	65.3	13.5%	82.2	94.9	94.1	92.8	86.8	88.2	83.9	9.1%	1.8%	-2.4%
Manufacturing	46.3	9.6%	63.6	53.4	53.9	52.4	52.1	54.0	54.3	5.9%	1.2%	0.3%
Mining & Other	10.0	2.1%	10.6	11.3	12.4	12.7	12.6	13.1	12.7	1.4%	1.7%	2.5%
Retail Trade	85.9	17.7%	122.7	139.9	144.6	151.6	158.0	166.2	175.0	19.0%	5.2%	4.6%
Services	144.2	29.8%	214.7	277.9	298.0	312.1	329.8	350.7	375.3	40.8%	7.1%	6.2%
TCPU	23.9	4.9%	31.0	39.2	41.7	43.1	42.9	44.2	46.2	5.0%	4.8%	3.3%
Wholesale Trade	27.7	5.7%	34.8	37.3	37.5	39.4	42.0	44.8	47.6	5.2%	4.0%	5.0%
Ttl Non-Manftng.	437.7	90.4%	607.0	702.2	734.7	762.4	786.8	828.4	866.4	94.1%	5.0%	4.3%
Ttl Office-Related*	254.5	52.6%	356.5	431.7	453.4	468.3	482.1	506.9	529.0	57.5%	5.4%	4.2%

*Includes FIRE, Services and Government

These trends are further identified in the following chart which depicts growth in the broad-based categories of manufacturing, office related and other non-manufacturing employment. For purposes of this analysis, office related employment is defined as total employment in the FIRE, Services and Government sectors. While not all employment from these sectors is office related, office employment trends tend to mirror the trends from these categories. As seen in these charts, office-related employment has captured an increasing share of total employment, indicating a shift toward a more service-based economy. This is a common trend on a national basis.



Historical trends for Florida are summarized in the following chart and indicate the largest gains in employment over the past fifteen years occurred within the Services and Retail Trade sectors with annual average compound growth rates of 5.2% and 3.3% respectively. Over the past five years significant activity has occurred in the Services and TCPU sectors with annual average compound growth rates of 4.9% and 3.8%.

Non-Farm Employment Trends - Historical Florida												
(in thousands)	1983	% of Total	1988	1992	1993	1994	1995	1996	1997	% of Total	Long Term	Short Term
Total Employment	5077.1	100%	6352.2	6736.8	6977.7	7219.0	7455.6	7674.2	7906.0	100%	3.2%	3.3%
Construction	351.5	6.9%	457.8	380.6	403.4	412.8	429.2	454.7	457.1	5.8%	1.9%	3.7%
FIRE	522.0	10.3%	592.6	562.4	576.0	604.1	620.8	640.8	656.0	8.3%	1.6%	3.1%
Government	758.4	14.9%	905.9	1003.5	1004.9	1018.3	1019.9	1032.1	1036.6	13.1%	2.3%	0.7%
Manufacturing	479.2	9.4%	557.2	502.0	506.2	508.6	506.6	514.3	509.6	6.4%	0.4%	0.3%
Mining & Other	109.5	2.2%	127.9	137.2	147.0	152.9	154.7	162.5	164.5	2.1%	2.9%	3.7%
Retail Trade	956.4	18.8%	1226.8	1287.3	1325.2	1373.9	1410.6	1461.7	1497.2	18.9%	3.3%	3.1%
Services	1387.4	27.3%	1888.0	2222.2	2357.0	2466.5	2609.8	2678.1	2826.5	35.8%	5.2%	4.9%
TCPU	263.0	5.2%	294.5	316.9	334.1	346.9	354.7	366.2	380.9	4.8%	2.7%	3.8%
Wholesale Trade	249.8	4.9%	301.6	324.7	324.1	335.0	349.2	363.8	377.7	4.8%	3.0%	3.1%
Ttl Non-Manfng.	4597.9	90.6%	5795.1	6234.8	6471.5	6710.4	6949.0	7159.9	7396.4	93.6%	3.5%	3.5%
Ttl Office-Related*	2668	52.5%	3386.5	3788.0	3937.8	4088.9	4250.6	4350.9	4519.1	57.2%	3.8%	3.6%

*Includes FIRE, Services and Government

Future projections are summarized in the following tables. Projections for Florida show Services related employment leading all other sectors with Retail Trade as the next leading sector. The Orlando forecast has Services related employment leading all other sectors with Retail Trade as the next leading sector.

Non-Farm Employment Trends - Projected												
Orlando												
(in thousands)	1998	% of Total	2003	2007	2008	2009	2010	2011	2012	% of Total	Long Term	Short Term
Total Employment	960.7	100%	1158.7	1318.6	1357.4	1396.7	1435.6	1475.2	1509.0	100%	3.3%	2.7%
Construction	59.8	6.2%	68.4	75.6	77.3	79.1	80.9	82.4	83.6	5.5%	2.4%	2.0%
FIRE	73.0	7.6%	88.0	100.3	103.3	106.3	109.3	112.4	115.1	7.6%	3.3%	2.8%
Government	85.9	8.9%	97.1	107.8	110.5	113.2	115.8	118.6	121.0	8.0%	2.5%	2.3%
Manufacturing	54.9	5.7%	61.4	66.6	67.8	68.9	70.0	71.2	72.1	4.8%	2.0%	1.6%
Mining & Other	12.5	1.3%	13.8	14.9	15.3	15.6	15.9	16.2	16.4	1.1%	2.0%	1.9%
Retail Trade	181.2	18.9%	219.2	249.0	256.1	263.3	270.4	277.9	284.3	18.8%	3.3%	2.7%
Services	396.1	41.2%	492.1	568.5	587.1	606.0	624.7	644.0	660.7	43.8%	3.7%	3.1%
TCPU	47.6	5.0%	58.4	67.0	69.1	71.2	73.3	75.1	76.7	5.1%	3.5%	2.7%
Wholesale Trade	49.7	5.2%	60.3	69.0	71.0	73.2	75.3	77.4	79.1	5.2%	3.4%	2.8%
Ttl Non-Manftng.	905.8	94.3%	1097.2	1252.0	1289.7	1327.8	1365.6	1404.0	1436.9	95.2%	3.4%	2.8%
Ttl Office-Related*	555.1	57.8%	677.3	776.6	800.8	825.4	849.8	875.0	896.8	59.4%	3.5%	2.9%

*Includes FIRE, Services and Government

Non-Farm Employment Trends - Projected												
Florida												
(in thousands)	1998	% of Total	2003	2007	2008	2009	2010	2011	2012	% of Total	Long Term	Short Term
Total Employment	8153.2	100%	9319.5	#####	10507.9	10742.4	10974.0	11210.9	11404.6	100%	2.4%	2.1%
Construction	470.2	5.8%	530.5	584.3	597.4	610.8	624.1	634.8	643.0	5.6%	2.3%	1.9%
FIRE	676.1	8.3%	777.7	861.0	881.0	901.2	921.1	942.8	960.5	8.4%	2.5%	2.2%
Government	1046.3	12.8%	1125.0	1217.4	1240.4	1263.8	1287.3	1311.1	1332.5	11.7%	1.7%	1.8%
Manufacturing	505.9	6.2%	541.9	567.9	573.6	579.1	584.2	590.0	593.2	5.2%	1.1%	0.9%
Mining & Other	165.5	2.0%	188.4	209.1	215.0	221.1	227.2	232.5	236.9	2.1%	2.6%	2.5%
Retail Trade	1532.8	18.8%	1758.3	1931.4	1972.0	2013.0	2053.2	2096.8	2131.6	18.7%	2.4%	2.0%
Services	2977.7	36.5%	3496.7	3906.6	4006.0	4107.2	4207.4	4311.4	4398.0	38.6%	2.8%	2.4%
TCPU	390.2	4.8%	444.8	488.2	498.4	508.8	518.9	527.7	534.3	4.7%	2.3%	1.8%
Wholesale Trade	388.6	4.8%	456.1	511.1	524.2	537.5	550.7	563.8	574.7	5.0%	2.8%	2.4%
Total Non-Manftng.	7647.3	93.8%	8777.6	9709.0	9934.3	10163.3	10389.8	10620.9	10811.5	94.8%	2.5%	2.2%
Ttl Office-Related*	4700.1	57.6%	5399.4	5985.0	6127.4	6272.1	6415.8	6565.3	6691.0	58.7%	2.6%	2.3%

*Includes FIRE, Services and Government

Employment trends for Orlando and Florida are presented as a point of comparison. Our analysis reveals that Orlando accounted for approximately 9.53% of Florida's employment in 1983. By 1997, this ratio changed to 11.65% and it is projected at 13.23% through 2012. In effect, Orlando will grow at a rate parallel to that of Florida.

INCOME

Personal income is also a significant factor in determining the retail demand in a given market. As illustrated in the accompanying charts, Orlando's per capita income has historically achieved per capita income growth below that of Florida.

From 1993 to 1997, Orlando has achieved per capita income growth at an average annual compound rate of 1.82%. For the same time period, the average annual compound rate of growth for Florida was 2.24%. The two market areas recorded similar divergence in per capita income growth over the last fifteen years with Orlando's growth being at an average annual compound rate of 1.17% while Florida's growth recorded an average annual compound rate of 1.50%. Estimates for the next five and fifteen year periods reflect rates of per capita income growth for Orlando parallel to the anticipated gains in income for Florida. For the two time frames, 1998 to 2002 and 1998 to 2012, Orlando is anticipated to experience a 1.80% and a 1.66% average annual growth rate respectively. For the same time frames, Florida is expected to grow at average annual compound rates of 1.58% and 1.52%, respectively. Orlando personal income per capita has historically been above that of Florida, partially explaining the higher rates of income growth.

Income per Household Comparison					
		Florida		Orlando	
	Year	Income/Household	% Annual Change	Income/Household	% Annual Change
Historical	1983	\$45,868.65		\$46,593.61	
	1988	\$51,184.22	2.2%	\$51,716.78	2.1%
	1992	\$50,717.19	-0.2%	\$50,240.97	-0.7%
	1993	\$52,985.66	4.5%	\$51,730.42	0.0%
	1994	\$53,516.07	1.0%	\$52,312.15	1.1%
	1995	\$54,786.04	2.4%	\$53,301.39	1.9%
	1996	\$55,918.03	2.1%	\$54,405.68	2.1%
	1997	\$56,915.75	1.8%	\$55,237.03	1.5%
Projected	1998	\$57,615.01	1.2%	\$56,062.36	1.5%
	1999	\$58,640.82	1.8%	\$57,282.66	2.2%
	2000	\$59,435.56	1.4%	\$58,121.12	1.5%
	2001	\$59,740.28	0.5%	\$58,690.19	1.0%
	2002	\$60,393.24	1.1%	\$59,405.34	1.2%
	2007	\$63,846.11	5.7%	\$63,195.65	6.4%
	2012	\$67,793.98	6.2%	\$67,512.44	6.8%
Average Annual Compound Change	Historical	Past 5 years	2.33%		1.91%
		Past 15 years	1.43%		1.11%
	Projected	Next 5 years	1.19%		1.47%
		Next 15 years	1.17%		1.35%

Source: NPA Data Services, Inc.; compiled by VIL

CONCLUSION

Overall, the economic outlook for Orlando and Florida is positive. Total population for both areas is projected to increase slightly. More importantly, both areas are projected to experience increasing employment growth. Both Orlando and Florida are projected to persist in the shift from manufacturing employment to other forms of employment, such as services. The outcome of this shift should result in a more diversified and stable economy.

CERTIFICATION

I, Richard A. Best, 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 General Assumptions and Limiting Conditions and where applicable, the Special Assumptions, and are my personal, unbiased professional analyses, opinions and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- My analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute. **This appraisal report was also prepared in compliance with the appraisal guidelines as set forth with SunTrust Bank, Central Florida.**
- This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- I have made a personal inspection of the property that is the subject of the report.
- No one provided significant professional assistance to the person(s) signing this report.
- I have complied with the Appraisal Standards of **SunTrust Bank, Central Florida.** in conducting the research and analysis, and in formulating the value conclusion(s) contained in this report.
- I, Richard A. Best, have completed the continuing education requirements set forth with the Appraisal Institute.
- I am in compliance with the Competency Provision in the USPAP as adopted in FIRREA 1989 and have sufficient education and experience to perform the appraisal of the subject property.

Richard A. Best, MAI
St.Cert.Gen.REA 0002001