City of Lake Alfred
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AGENDA UPDATE

CITY COMMISSION MEETING
MONDAY JULY 11, 2016
7:30 P.M.
CITY HALL

CALL TO ORDER: MAYOR CHARLES LAKE

INVOCATION AND PLEDGE OF ALLEGIANCE: PASTOR JONES

ROLL CALL: CITY CLERK AMEÉ BAILEY

CITY MANAGER & CITY ATTORNEY ANNOUNCEMENTS

RECOGNITION OF CITIZENS: ITEMS NOT ON AGENDA

EMPLOYEE RECOGNITION: MARY JOHNSON – 5 YEARS
EMPLOYEE OF THE QUARTER: VITAS KARALIUNAS
PROCLAMATION: PARKS AND RECREATION MONTH

CONSENT AGENDA:

1.) **CITY COMMISSION MEETING MINUTES FOR JUNE 20, 2016**
2.) **SPECIAL CITY COMMISSION MEETING MINUTES FOR JULY 6, 2016.**
3.) **CITY COMMISSION ANNOUNCEMENTS**

AGENDA

1.) **RESOLUTION 05-16: UNIFORM COLLECTION METHOD 2016 ASSESSMENT ROLL**
2.) **PURCHASE AGREEMENT: 235 N. SEMINOLE AVENUE**
3.) **PURCHASE AGREEMENT: VACANT COMMERCIAL LOT**

RECOGNITION OF CITIZENS (PLEASE LIMIT YOUR COMMENTS TO 5 MINUTES.)

COMMISSIONER QUESTIONS AND COMMENTS:

COMMISSIONER DEARMIN
COMMISSIONER MAULTSBY
MAYOR LAKE
VICE MAYOR DALEY
COMMISSIONER DUNCAN

ADJOURN

Proclamation

To recognize July as Parks and Recreation Month.

WHEREAS The U.S. House of Representatives has designated July as Parks and Recreation Month which has celebrated since 1985 because parks and recreation areas and programs are an integral part of communities throughout this country, including here in the City of Lake Alfred.; and

WHEREAS our parks and recreation are vitally important to establishing and maintaining the quality of life in our communities, ensuring the health of all citizens, and contributing to the economic and environmental well-being of our community; and

WHEREAS parks and recreation programs build healthy, active communities that aid in the prevention of chronic disease, provide therapeutic recreation services for those who are mentally or physically disabled, and also improve the mental and emotional health of all citizens; and

WHEREAS parks and recreation programs increase a community's economic prosperity through increased property values, expansion of the local tax base, increased tourism, the attraction and retention of businesses, and crime reduction; and

WHEREAS parks and natural recreation areas improve water quality, protect groundwater, prevent flooding, improve the quality of the air we breathe, provide vegetative buffers to development, and produce habitat for wildlife; and

WHEREAS our parks and natural recreation areas ensure the ecological beauty of our community and provide a place for children and adults to connect with nature and recreate outdoors.

THEREFORE, BE IT RESOLVED that the City of Lake Alfred formally designates July 2016 as

"Parks and Recreation Month"

in the City of Lake Alfred and urges all citizens to experience the benefits by visiting our community parks and recreation resources.

IN WITNESS WHEREOF, I have hereunder set my hand this 11th day of July, 2015.

_____

Charles O. Lake, Mayor
City of Lake Alfred, Florida

LAKE ALFRED CITY COMMISSION MEETING
JULY 11, 2016

CONSENT AGENDA

1.) JUNE 20, 2016 CITY COMMISSION MEETING MINUTES

ATTACHMENTS:

- Draft Minutes

ANALYSIS: Please review the minutes at your earliest convenience and if there are any questions, comments or concerns please contact the City Clerk, Ameé Bailey at (863) 291-5747.

2.) JULY 6, 2016 SPECIAL CITY COMMISSION MEETING MINUTES

ATTACHMENTS:

- Draft Minutes ADDED

ANALYSIS: Please review the minutes at your earliest convenience and if there are any questions, comments or concerns please contact the City Clerk, Ameé Bailey at (863) 291-5747.

3.) CITY COMMISSION ANNOUNCEMENTS

ANALYSIS: Each of the meetings/ events scheduled below may be constitute a public meeting at which two or more City Commissioners or Planning Board Members may attend and discuss issues that may come before the City Commissioners.

- Lake Alfred Chamber of Commerce – "Business After Hours", July 21st at 5:30 pm, CenterState Bank in Lake Alfred

- Florida League of Cities Conference: , August 18-20, Diplomat Resort, Hollywood

DRAFT MINUTES
CITY OF LAKE ALFRED
CITY COMMISSION MEETING
MONDAY JUNE 20, 2016
7:30 P.M.
CITY HALL

Call to Order: Mayor Charles Lake

Invocation and Pledge of Allegiance: Pastor Strawn

Roll Call: Those in attendance were Mayor Charles Lake, Vice Mayor Nancy Daley, Commissioner John Duncan, Commissioner Jack Dearmin, and Commissioner Albertus Maultsby.

Staff attendance: City Manager Ryan Leavengood, Assistant City Attorney Seth Claytor, City Clerk Ameé Bailey-Speck, Police Chief Art Bodenhiemer, Community Development Director Valerie Vaught, Finance Director Amber Deaton, Parks and Recreation Director Richard Weed, Public Works Director John Deaton.

CITY MANAGER ANNOUNCEMENTS

City Manager Leavengood stated the upcoming Lake Alfred Public Library events include Teen Advisory Board, story time, Lego Mania, adult coloring, brain games and special summer programming at the Lions Clubhouse. The Library will be also hosting the Florida Licensing on Wheels, SPCA Wellness Wagon and Friends of the Library Book sale. Contact the Library for more information.

The City of Lake Alfred 4th of July Celebration will be held on Monday July 4th from 10 am to 2 pm at Lions Park. Events include a bass tournament, car show, music, wildlife shows, Little Miss and Mister "Firecracker," food, and much, much more. Please see the website for more information and applications.

City Offices and the Library will be closed on Monday, July 4th in Observance of Independence Day.

Mackay Gardens and Lakeside Preserve will host a free gardening workshop on Thursday July 7th at 10 am. Contact the Parks and Recreation Department for more details.

The FLC Policy Committees request has been submitted for each Commissioner. Appointments will be announced after the 2016 FLC Annual Conference. The Conference will be held August 18-20 in Hollywood. Please let the City Clerk know if you plan to attend.

Just a reminder that anyone can report code enforcement complaints through the Lake Alfred 311 App. Submit complaints immediately from your cell phone, attach pictures, give location using GPS. We are getting good use form the App.

CITY ATTORNEY ANNOUNCEMENTS

No Announcements.

RECOGNITION OF CITIZENS

No Citizen Comments.

PROCLAMATION: INDEPENDENCE DAY - 2016

Mayor Lake read the entire proclamation to celebrate Independence Day, 2016. He reminded everyone to always keep in mind that no matter what problems face our Nation, here we are free to speak our minds, to assemble peaceably, to elect (or un-elect) our representatives in government, and to worship God (or not) as our conscience might compel us. We often take these liberties for granted. But on the Fourth of July, we should pause to remember that others around the globe do not enjoy such freedoms.

CONSENT AGENDA

Commissioner Dearmin moved to approve the City Commission Minutes from June 6, 2016; seconded by **Commissioner Maultsby**. The motion was approved by unanimous voice call vote.

MAYOR LAKE	**AYE**
VICE MAYOR DALEY	**AYE**
COMMISSIONER DUNCAN	**AYE**
COMMISSIONER DEARMIN	**AYE**
COMMISSIONER MAULTSBY	**AYE**

Vice Mayor Daley moved to approve the City Commission announcements; seconded by **Commissioner Duncan**. The motion was approved by unanimous voice call vote.

MAYOR LAKE	**AYE**
VICE MAYOR DALEY	**AYE**
COMMISSIONER DUNCAN	**AYE**
COMMISSIONER DEARMIN	**AYE**
COMMISSIONER MAULTSBY	**AYE**

AGENDA

1.) PRESENTATION: UTILITY RATE STUDY

City Manager Leavengood stated In January of 2016 the City entered into a continuing service agreement with Raftelis financial consultants for the performance of a utility rate study. The goal was to restructure the system to be more equitable by lowering the base rate and charging based upon usage while still providing a stable revenue source for the City. The current system does not encourage conservation and the customers that use the least amount of water are essentially subsidizing the utility bill for higher water users by paying a flat rate.

Tony Hairston and Joe Williams from Raftelis Consultants presented the results from the rate study. They discussed the data collected detailing the water and sewer customers and usage;

use forecast, rate design, and bill impacts and comparisons. The City's water customers are primarily residential (3,267 of 3,422 customers). Approximately two-thirds of the water customers also receive waste water service from the City (2,200). They discussed the financial needs and projected revenues. The current and projected revenues are slightly above the current and projected expenditures. The fund also has met the targets for debt services and fund balance for unexpected expenses and capital improvements. They discussed the existing rate structure and the amount of water and sewer consumption by the users. The rates have remained unchanged since 2003 for water and 1990 for sewer. The objectives of the study was for the rate structure to be affordable, simple to understand, and have revenue stability. The new rate structure is revenue neutral and based on consumption. They then discussed the pros and cons of the existing and proposed rate structures.

Water

Meter Size	Base Charge
Residential:	$8.95
Non-Residential:	
5/8-inch	$8.95
1-inch	$22.38
1.5-inch	$44.75
2-inch & above	$71.60

25% surcharge applies for outside city customers

Residential Usage Rates:

Usage Block	Rate
Block 1 (0-5,000 gal)	$1.04
Block 2 (5,001-10,000 gal)	$1.25
Block 3 (Above 10,000 gal)	$1.46

Commercial Usage Rates:

Usage Block	Rate
All Usage	$1.30

Sewer

Meter Size	Base Charge
Residential:	$29.50
Non-Residential:	
5/8-inch	$38.35
1-inch	$73.75
1.5-inch	$147.50
2-inch & above	$236.00

25% surcharge applies for outside city customers

Class	Rate
Residential (0-10,000 gallons)	$2.33
Non-Residential (All Usage)	$2.33

The water structure and blocks were adjusted to account for the median usage. Currently user pay for 6,000 gals of water but over 50% use 4,000 gallons or less. On the new rate structure the average residential customer using 4,000 gallons will save $1.56/ month. Users using less water will save more, while users using more water will pay more. They then showed the existing and proposed rates in comparison to other cities. The conclusion was that that the proposed rates are based on a uniform rate structure, revenue neutral, provide for equitable cost recovery, reduce the large amount of gallons included in monthly bills, and comparable to nearby communities.

The City Commission asked who are the large 50,000 gal users, what would happen to the City's revenue if everyone wants to go to a conservation rate, and the rates for users with two meters.

Staff responded that large commercial users included the distillery, car wash, and school. This proposed system provides equitable billing with lower rates. The per gallon rates could be adjustments for large challenges if presented in the future.

Raftelis Consultants responded the impacted customers will be notified and they may want to change their meter size. They commented that the cost recovery is coming down and could afford more customers going to a conservation rate. Some conservation was built into the model, based on their experience.

Staff responded that users would continue to pay the base rate for each meter. The reason the water is capped at 10,000 is for the users that have one meter and are using it for potable and irrigation. Irrigation meters do not have to pay the additional cost for sewer. Staff was very excited that the base sewer rate could be lowered to below $35.

The City Commission stated that citizens will be happy if the rates go down and the City Commission will be happy if water is conserved. They asked about the methods to education the users, ordinance timeline, and they talked about the opportunity to reach people with the Water Ventures event.

Staff responded that staff will have to work on several different methods including the website, bills, and door hangers. In addition there will two public meetings for processing the Ordinance August/September for use in October.

Michael Strawn 149 Cypress Way, asked about incentivizing the use rain sensors.

Staff replied that there are grant opportunities, rebate program and opportunities to partner with other agencies, which staff has done in the past. Staff will look into new opportunities.

Lowell Schmidt, 365 East Sanford St. stated his water usage for residential is 2,500 and irrigation is 34,000. He asked about the cost for different sized meter.

Margaret Wheaton, 340 Carolina Ave South, asked about computer system and if prepared for the increased utility flexibility.

Chris White, 315 East Thelma Ave, asked about paying for sewer on the irrigation meter.

Staff replied that the proposed rates would not be significantly different for most customers, even those with two meters. The City utilizes ADG for utility billing as does many of the other

cities in the county. The system can handle the new proposed structure. Staff will run test and the users will see the change on the November 1st bill. Staff restated that irrigation meters will not include sewer costs.

Commissioner Dearmin moved to proceed with drafting the ordinance and the public hearing process for the adoption of the proposed rate system, seconded by **Commission Duncan**. The motion was approved by unanimous voice call vote.

MAYOR LAKE	**AYE**
VICE MAYOR DALEY	**AYE**
COMMISSIONER DUNCAN	**AYE**
COMMISSIONER DEARMIN	**AYE**
COMMISSIONER MAULTSBY	**AYE**

2.) DISCUSSION: GARDNER HOUSE

City Manager Leavengood stated several Commissioners and community members have identified the possibility of the City acquiring the Gardner House & Florida Fruitlands Office. In researching this opportunity, staff scheduled tours of the property and buildings with the owner to allow staff and the City Commission an opportunity to inspect the property. An appraisal was conducted to determine the value. The appraisal came in relatively low at $135,000 due to the nature of the work that would have to be done to bring it up to historic use and the lack of comparable properties on the market. The City is pursuing a second estimate to verify and as required for any grant applications. The property owner has suggested an initial sales price of $225,000. Renovations on the building and the property could exceed $200,000 depending upon the amount of work needed on the property.

The City can apply for a 50% matching grant to the Florida Division of Historical Resources to help fund the purchase of the property. The grant application deadline is July 8th to be considered for funding in the State's next fiscal year beginning in July 1, 2017. The grant requires an executed purchase agreement and a commitment of matching funds (which can be accomplished within a resolution of support). The purchase agreement could be contingent upon the City's receipt of the grant. Grant rankings would be posted later in the year.

If the City Commission wishes to proceed with the grant we would need to have a special meeting possibly on Tuesday, July 5th to approve the purchase agreement and resolution of support committing the funding in order to meet the July 8th grant application deadline (with the holiday our first regular meeting in July is on the 11th).

Future grants would be necessary to complete renovations in a manner similar to what has been done at the Mackay House. A Mackay CIP project waited several years for funding and was recently completed.

The **City Commission** asked about the amount set aside for the state historical grant cycle and a purpose for the building is purchased. They stated that it would be horrible to have the house destroyed due to the historical significance. The property could be used as a historical museum, office, or rental.

Staff stated the grant process is very competitive. Staff showed photos from the site visit and stated that the property is approximately 1.4 acres and surrounded by the Edenfield property which is commercial. The Edenfield family tried to purchase the property at one point. If the adjacent property was developed commercial, it would need to meet buffer requirements. If the City does not purchase the property the property could be purchased and developed commercially. The property also includes a second building which was used by the Fruitland Company and then re-located to the property in question.

Connie White, 315 East Thelma St. and President of the Historical Society, stated that the City has lost several historic buildings and that the City should hold onto this building if possible. The building could be used as a museum, and the Historical Society needs more space.

Betty Shinn, 140 North Pennsylvania Ave. spoke about the Lake Alfred Reality Company Office which was moved to the property and used as a winter home for one of the Gardner nieces (Kate Powers). The City lost the school building and depot and should preserve this major historic building.

Herb Nigg, 700 South Ilakee Ave. and serves on the Polk County Historic Commission stated he has seen many changes in Lake Alfred. Citizens tried to save the school by suggesting it be used as a library. The Gardner House is the most significant building in Lake Alfred since it is the home of the City's founder. He stated that in order to get a grant, you must first apply. No one moved forward on a grant for the school and it was demolished.

The **City Commission** asked if a Florida Forever grant could be used for the purchase and then use the historical resources funds for renovations, similar to Mackay. If the home was purchased with a Florida Forever grant there would be no cost to the City, then the purchase price can be used to match the Historic Preservation Grant application for renovation. The Commission asked about the revenue and budget for Mackay. The City Commission asked about the Historic Grant match and if it was based on the appraisal or asking price, if the grant required public education opportunities, or specified use in the future.

Marilyn Anderson 25 East Columbia St. stated she always heard about the Gardner family when she was growing up and the importance of keeping the home to her.

Leon Juday, 535 North Todhunter Way asked about the 50% match for the grant. He spoke about the need for sidewalks for students.

Staff stated that the current grant focus had been on the historic preservation grant, but that staff could research other opportunities. Staff stated that matching funds would come from the unassigned reserve of 1 million. The City is in a strong financial position, not a financial question versus policy question. The Historic Preservation grant award would be based on the appraisal, which is why the City is having a second appraisal. The Historic preservation grant usually funds more renovations than purchases. The Mackay House has revenue from the rentals and a budget of $30,000 each year. The Gardner house could be part of the heritage trail or opened at Christmas for tours similar to the Baynard House in Auburndale.

The **City Commission** asked about moving the house and other priority projects. They discussed options for the 15 acres Edenfield property (commercial) and the impacts the Gardner House.

Staff replied that if the adjacent property was developed commercial, it would need to meet buffer requirements. The Florida Forever grant cycle is open and will close on August 30th with a 10 million appropriations. The purchase and renovation of the Gardner House would be 5-7 year project. The Division of Historic Preservation allocated 10.9 million.

Commissioner Maultsby moved to proceed with researching possible grant opportunities to purchase the Gardner house, seconded by **Commission Dearmin**. The motion was approved by unanimous voice call vote.

MAYOR LAKE	**AYE**
VICE MAYOR DALEY	**AYE**
COMMISSIONER DUNCAN	**AYE**
COMMISSIONER DEARMIN	**AYE**
COMMISSIONER MAULTSBY	**AYE**

Staff commented that we may need a special meeting to if need to proceed with the Historic Preservation Grant.

3.) DISCUSSION: PROPERTY SALE AND ACQUISITION

City Manager Leavengood stated City staff has been pursuing several different property acquisition opportunities that the Commission has been updated on including:

Duplex - The duplex property is adjacent to the Public Library. The purchase would to close out city ownership of the corner. If purchased staff recommends tearing down for potential future parking or expansion project. The property appraised for $60,000 a few years ago. The owner is asking $90,000. A fence was added to separate from the library. The Friends of the Library (letter) stated they would assist with the purchase. The Purchase of the duplex property would require a purchase agreement to be approved by the City Commission.

Commercial strip - A vacant ½ acre commercial parcel adjacent to city owned downtown parcel (former Buchanan building) is available for purchase. The property is not easily developed as a standalone property (limited access). City ownership would allow the City to combine with other property and the City easement for future development, parking, and/or green space. The appraisal came in at $37,500 and the owner is asking for $55,000. The Purchase of the ½ acre lot would require a purchase agreement to be approved by the City Commission.

The **City Commission** discussed about Columbia Street which does not go all the way through to Shinn Ave.

Residential Lot – The house was demolished by Polk County and then the property was deeded to the City. Staff proposes donating the City owned residential parcel in the Fruitland Park Area to Polk Habitat for Humanity. They are interested and would take the property and build a home. The donation of the Fruitland Park parcel to Habitat for Humanity will require an ordinance.

City Property - The City has received an offer from Circle K for the purchase of the city owned downtown parcel for $500,000 for the construction of a convenience store and gas station. Staff is proposing to negotiate a development agreement for the sale of the property that would contain all required and encouraged elements of the downtown overlay code (façade treatments around entire building, improved landscaping, reduced stormwater retention through pervious

pavement and other mitigation techniques, etc.) as well as potential improvements to Columbia Street (which is currently unpaved). He stated that there may be an opportunity to reduce or eliminate the need for a stormwater pond. The City Manager discussed the Auburndale Circle K on Berkley Rd and showed examples of the new store which was in reaction to the new RaceTrac across the street. This is the first proposal the City has received since the property has been marketed. The development agreement would ultimately require City Commission approval and an ordinance for the sale of the property.

The City Commission discussed the pros and cons of a Circle K. A gas station was not a part of the Downtown Master Plan and many concerns were mentioned such as; stormwater, pedestrian implications, impacts to the school zone/ traffic; and loss of small town charm. The Commission also discussed that the City can control the way the site looks since the City owns the property. The development could spur other development and lead to a traffic lights at Cummings. This is the first offer and the City is not in a rush to develop the property. There could be many other opportunities for mixed use development. They discussed development in Winter Haven and the process and timing. They stated that a gas station is need, but the City center may not be the best location. A gas station would also generate gas tax funding.

Staff stated they were excited to receive a proposal and know that the marketing package is generating interest. McDonalds has also expressed an interest in Lake Alfred. Commercial inters in Lake Alfred is most likely going to be in the form of chain stores or retail.

Judy Schelfo 640 East Lake View Rd, stated she has some of the same concerns since their business is across the street. However, the traffic is already here, there is a state highway through the City. This may be the best property for a gas station, especially if the City can get the extra amenities and clean look. The parcel is at end of the downtown district. The flea market property does not have four sided access. The Circle K could be a kick-start. The Family Dollar helped the Commercial value of other properties and so would a Circle K. There needs to be lights at Cummings and FDOT would have to reconsider with this type of development.

The City Commission asked about including pedestrian elements into the development. They stated others may be more interested now that the Circle K has expressed an interest.

Staff stated that the Circle K proposal is based on their typical store and does not address the City Codes. Staff would work with the Circle K to incorporate the required and suggested Master Plan elements. These elements could be required rather than negotiating a higher price. There is no guarantee that the Circle K would agree to changes. FDOT would determine if and when a traffic light would be installed.

Jane Brumbaugh, 655 East Pierce St., stated she is leery of having a gas station for future development because of the tanks in the ground. She is also concerned about traffic.

Margaret Wheaton, 340 Carolina Ave South, stated that the property is a keystone and this is not the way she thought the downtown area would look.

Lowell Schmidt, 365 East Sanford St, stated that that Circle K serves Shell gas which is popular. He stated the site sees that this is an ideal place and the City should counter offer $650-750 because it is a valuable piece of property. The revenue and gas tax could override the value of other developments.

The City Commission discussed that another station would create completion and lower gas prices. They stated citizens have asked about a gas station.

Marilyn Anderson 250 East Columbia St., stated the City may not get what the City wants in the Master Plan. She is concerned, but also goes out of town to buy gas. Other stations are near schools and successful get kids across the street. This may be the first big business to get the development started.

Staff stated asked for a consensus on how to move forward with each property. Staff will negotiate price and development agreement with performance standards. Then all properties will be brought back to the Commission for formal action. The staff also recommended updating some elements of the code.

- Duplex – consensus to pursue purchase
- Commercial – consensus to pursue purchase
- Residential – consensus to process donation to Habitat for Humanity
- Circle K - consensus to negotiate price and development agreement

RECOGNITION OF CITIZENS

There were no citizen comments.

COMMISSIONER QUESTIONS AND COMMENTS

Mayor Lake stated he attended the Polk Regional Water Coop meeting, recognition of Commissioner Albertus Maultsby as Polk County Pioneer, and Ridge League Dinner. He questioned the TPO about traffic with Discovery HS for possibility of light. He also attended the Lions Club installation of Officers. Richard Weed was awarded the Citizen of the Year award. Citrus Label installation at the Historical Society is complete.

Vice Mayor Daley – no comment.
Commissioner Duncan – no comment.
Commissioner Dearmin stated it was a great night.
Commissioner Maultsby thanked Mayor Lake for taking him to Bart to receive his recognition.

With there being no further business to discuss, Mayor Lake adjourned the meeting at 10:13 pm.

Respectfully Submitted,

Ameé Bailey
City Clerk

DRAFT MINUTES
CITY OF LAKE ALFRED
CITY COMMISSION MEETING
TUESDAY, JULY 05, 2016
7:45 P.M.
CITY HALL

Call to Order: Mayor Charles Lake

Invocation and Pledge of Allegiance: Joyce Schmidt

Roll Call: Those in attendance were Mayor Charles Lake, Vice Mayor Nancy Daley, Commissioner John Duncan, Commissioner Jack Dearmin, and Commissioner Albertus Maultsby.

Staff attendance: City Manager Ryan Leavengood, City Attorney Frederick John Murphy, City Clerk Ameé Bailey-Speck, Police Chief Art Bodenheimer, Community Development Director Valerie Vaught, Parks and Recreation Director Richard Weed.

CITY MANAGER ANNOUNCEMENTS

City Manager Leavengood stated the Ledger printed a special edition magazine on first responders, titled "First on Scene." The magazine was distributed in the Sunday paper on June 26th. The magazine features articles on the lives and contributions of police and fire fighters through the county including our own Sargent Jennifer Gillett and Captain Brian Beasley.

CITY ATTORNEY ANNOUNCEMENTS

No Announcements.

RECOGNITION OF CITIZENS

No Citizen Comments.

City Manager Leavengood presented City Commission Meeting schedule changes due to the holidays and budget hearings requirements. The dates for July are Monday the 11th and 25th, Monday August 8th and 22nd, Tuesday September 13, and Monday September 26th.

AGENDA

1.) RESOLUTION 04-16: HISTORIC PRESERVATION GRANT APPLICATION

City Attorney Frederick John Murphy read the Resolution title.

City Manager Leavengood stated at our last regular meeting the City Commission gave consensus to proceed with submitting a grant application for the purchase and acquisition of the Historic Gardner Property (275 N. Rochelle Avenue). City staff has identified an opportunity with the Florida Division of Historical Resources for a 50% matching grant to assist in the purchase of the property. The grant deadline is this Friday (July 8th). The grant application requires an

executed purchase agreement as well a commitment of financial support from the City in addition to the grant application information.

The proposed resolution commits the City's match funding of $112,500 as well as authorizes the submission of the grant application and execution of the purchase agreement for the property in the amount of $225,000. The purchase is contingent upon the receipt of grant funding. The grant rankings will take place in October of this year and if selected, funding would be appropriated in the state fiscal year beginning in July of 2017.

The purchase agreement also contains a $15,000 nonrefundable deposit to the owner in consideration for carrying costs and locking in the property to this process over the next year. This amount will be counted towards the purchase price if the City purchases the property. If approved, City staff will continue working with the Historic Society on the preparation of the grant application as well as gathering letters of support from other area elected officials and submit the completed application packet to the state on Thursday, July 7th, 2016,

Staff recommends approval of Resolution 04-16. Staff also received the second appraisal at $225,000. The primary difference between the first and second appraisal. The first was evaluated as a residential property and the second evaluates the commercial value. Attached to the Resolution is Exhibit "A" which is an "AS IS" purchase agreement. The Contract allows a 45 day inspection period. After the inspection period, the deposit is due.

The **City Commission** asked and discussed the 45 day due diligence period, non-refundable deposit, and the risk of loss policy. They asked about a seller default and if a provision could be added to protect the deposit if the seller decided not to sell. They also discussed the process for purchasing and renovating the Mackay House. The Trust for Public Land assisted the City with preparing the Florida Forever grant application. The Mackay property was then used as the match for the renovation grant through the Florida Division of Historical Resources.

Staff stated the inspections would include lead paint, phase 2 environmental, other building inspections along with an extensive renovation estimate. The deposit will be due after the inspection period. The 45 day inspection period would begin when the contract is signed. Staff stated the contract could be negotiated further, but the City Commission would need to meet again to approve. The deposit amount covers the carrying cost to hold the property off the market for one year, insurance, taxes, etc. The deposit will be used towards the purchase of the property. Staff proposed some changes to the contract language to address the non-refundable deposit if the seller defaulted.

Staff reviewed the Florida Forever requirements, but the Gardner House property does not have the same open space element as the Mackay property to be eligible for funding. Staff will continue to look for other funding opportunities.

The **City Commission** discussed that the City could not purchase the property and then apply for the grant. They also asked about the grant tiers and funding.

Staff stated that if the City purchased the property it could be used as a match for requesting grant funding for restoration. The most the City could request would be $500,000 with a $500,000 match. The funding for last year was 10.79 million.

Don Zabel, 275 and 285 N. Rochelle Ave. stated he would not default on the contract. He will have $11,000 in cost including $3,000 for attorney fees, $2,220 for 6-month insurance policy,

and taxes of $3,300. He stated he was not interested in changing any provisions in the contract. Soil borings were completed by A-C-T in Bartow, which he will provide to the City.

Commissioner Dearmin moved to approval of Resolution 04-16 with Exhibit A and authorizing signatures, seconded by **Commission Maultsby**. The motion was approved by unanimous voice call vote.

MAYOR LAKE	**AYE**
VICE MAYOR DALEY	**AYE**
COMMISSIONER DUNCAN	**AYE**
COMMISSIONER DEARMIN	**AYE**
COMMISSIONER MAULTSBY	**AYE**

RECOGNITION OF CITIZENS

Chief Art Bodenheimer presented the 3-wheel cart recently purchased for the Police Department through the Burns grant. The vehicle will be used to support the middle and high school. The vehicle cost over $10,000. The vehicle is totally electric and will plug into a 110 outlet to charge.

COMMISSIONER QUESTIONS AND COMMENTS

Commissioner Maultsby recouping from recent trip.

Mayor Lake attended drumming event for summer recreation and 4th of July had a good turn-out.

Vice Mayor Daley reminded everyone to read the Beautyberry Post.

Commissioner Duncan stated he will be on vacation and will miss next Monday's meeting.

Commissioner Dearmin staff did an excellent job at the 4th of July event and providing information to the citizens.

With there being no further business to discuss, Mayor Lake adjourned the meeting at 8:41 pm.

Respectfully Submitted,

Ameé Bailey
City Clerk

LAKE ALFRED CITY COMMISSION MEETING
JULY 11, 2016

AGENDA

1.) PUBLIC HEARING: RESOLUTION 05-16: UNIFORM COLLECTION METHOD 2016 ASSESSMENT ROLL

ISSUE: The City of Lake Alfred will consider a resolution adopting the 2016 assessment roll for Code Enforcement Liens to be collected by the uniform method of collecting non-ad valorem assessments on the annual tax bill.

ATTACHMENTS:

- Resolution 05-16 UPDATED
- Notice of Hearing

ANALYSIS: In July of 2014 the City adopted by ordinance elements of the International Property Maintenance Code providing a unified set of building and property maintenance standards. Coupled with this ordinance were interlocal agreements with the Property Appraiser and Tax Collector that allowed for actual costs incurred by City through the code enforcement process to be recovered as a non-ad valorem assessment on the property tax bill. As a part of this process, The City also adopted Resolution 18-14 in December of 2014 expressing the City's intent to utilize the uniform method of collecting the non-ad valorem assessments as provided by Florida Statutes 197.3632.

The proposed Resolution is the next step required to collect liens on the 2016-2017 tax bills. Notices to property owners were mailed via certified mail, as well as regular First Class and was published in the newspaper 20 days prior to this hearing.

STAFF RECOMMENDATION: Approval of Resolution 05-16

RESOLUTION NO. 05-16

A RESOLUTION OF THE CITY OF LAKE ALFRED, FLORIDA LEVYING A MUNICIPAL CODE ENFORCEMENT SPECIAL ASSESSMENT FOR ABATEMENT OF NUISANCES AND MUNICIPAL CORRECTION OF VIOLATIONS FOR FISCAL YEAR 2016-2017; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Lake Alfred, Florida ("City") has undertaken to improve various properties throughout the City by adopting a unified set of building and property maintenance standards in order to protect and preserve the health, safety and general welfare of the City and its residents; and

WHEREAS, the City Commission of the City of Lake Alfred, Florida ("City Commission") finds that by implementing certain provisions of the International Property Maintenance Code ("IPMC") and abating and/or correcting any harmful or dangerous buildings, structures, and/or premises not in strict compliance therewith through the code enforcement process would best operate to serve and protect the health, safety and general welfare of the City and its resident; and

WHEREAS, the City Commission, on July 28, 2014, adopted Ordinance 1333-14, ("Ordinance"), authorizing the City, through its code enforcement process, to abate certain nuisances and/or correct certain violations of the IPMC and other applicable City, County, State and Federal Code provisions; and

WHEREAS, the City, through the adoption of the Ordinance, finds that it was fair and equitable to assess against each property benefitted by such abatement and/or corrective actions a non-ad valorem special assessment in an amount equal to the actual costs incurred by the City in improving said property and collect its special assessments for municipal abatement of nuisances and/or municipal correction of violations as a non-ad valorem tax pursuant to Chapter 197, Florida Statutes; and

WHEREAS, the uniform method of collecting non-ad valorem assessments, as authorized by Section 197.3632, Florida Statutes, provides for the collection of non-ad valorem assessments by authorizing the inclusion of said assessments on the tax bills issued for the collection of ad valorem taxes; and

WHEREAS, notice was given pursuant to Section 197.3632, Florida Statutes, that the City of Lake Alfred would collect the liens imposed for abatement of nuisances, such as removal of junk, debris, and overgrown lots, by means of the uniform method of collecting non-ad valorem assessments at a properly advertised public hearing held on December 15, 2014; and

WHEREAS, the City Commission desires to utilize the uniform method of collecting non-ad valorem assessments to collect the non-ad valorem assessments specified herein; and

WHEREAS, in accordance with the requirements of Section 197.3632, Florida Statutes, the City Commission held a duly advertised public hearing prior to the adoption of this Resolution; and

WHEREAS, the City Commission desires to adopt an Assessment Roll at this time for collection by the Tax Collector on the 2016 tax notices.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF LAKE ALFRED, FLORIDA, AS FOLLOWS:

SECTION 1. **RECITALS INCORPORATED.** The foregoing findings are incorporated herein by reference and made a part hereof and constitute the factual basis for the passage of this Resolution.

SECTION 2. AUTHORIZATION. The City Commission hereby elects to utilize the uniform method of collecting non-ad valorem assessments, as provided in Section 197.3632, Florida Statutes for collecting the non-ad valorem assessments specified herein, which assessments have been levied against the properties described in the Assessment Roll in Exhibit "A" attached hereto and made a part hereof.

SECTION 3. SPECIAL ASSESSMENT. The City Commission hereby adopts Exhibit "A" as the City of Lake Alfred Assessment Roll for special assessments imposed against properties for the cost of the City to abate code violations of junk, debris and clearing of overgrown lots.

SECTION 4. **EFFECTIVE DATE.** This Resolution shall take effect immediately upon passage.

INTRODUCED AND PASSED by the City Commission of the City of Lake Alfred, in regular session, this 11th day of July, 2016.

CITY OF LAKE ALFRED, FLORIDA
CITY COMMISSION

_____
Charles O. Lake, Mayor

ATTEST:

_____
Ameé N. Bailey
City Clerk

Approved as to form:

_____
Frederick J. Murphy, Jr., City Attorney

Exhibit "A"
RESOLUTION NO. 05-16

2016 ASSESSMENT ROLL

CODE ENFORCEMENT LIENS FOR ABATEMENT OF NUISANCES, JUNK, DEBRIS AND OVERGROWN LOTS

Location #	Property Owner	Address	Parcel ID	Legal Description	Abatement	2016 Total
1	Nena Mae Burton Estate	695 E Orange Ave	262728-493500-001010	HIGHLAND SUB PB 4 PG 2 BLK A LOTS 1, 2 & 3	Mowing, debris removal and securing unsafe structure	$ 775.00
2	Terry Franklin	625 Grapefruit Ave	262728-493500-004070	HIGHLAND SUB PB 4 PG 2 BLK D LOT 7	Mowing and debris removal	$ 796.30
3	Tax Ease Florida REO LLC	0 E Tangerine Ave	262728-493500-007170	HIGHLAND SUB PB 4 PG 2 BLK G LOTS 17 & 18	Mowing and debris removal	$ 285.00
4	James Lewis	780 Martin Luther King	262728-493500-002012	HIGHLAND SUB PB 4 PG 2 BLK B LOTS 1 & 2 S 75 FT	Mowing and debris removal	$ 605.00
5	Frantz Momplaisir	555 Midway Ave	262728-493500-006030	HIGHLAND SUB PB 4 PG 2 BLK F LOTS 3 & 4	Mowing and debris removal	$ 175.00
6	Kandis McBryan	260 E Haines Blvd	262732-506500-002605	***DEED APPEARS IN ERROR***SECOND REPLAT OF BLOCKS 26 & 35 & N1/2 OF 44 OFLAKE ALFRED PB 31 PG 42 TRACT 26 S 135 FT OF E	Mowing and debris removal	$ 325.00
7	Estate of Mollie White	630 E Thelma St	262733-514600-000410	TODHUNTER ESTS PB 56 PG 11 LOT 41	Mowing and debris removal	$ 400.00
8	Estate of David Dixon	335 S Echo Dr	262805-523500-000080	REPLAT OF LOTS 19 THRU 36 & 106 THRU 153 OF ECHO TERRACE PB 28 PG 16 THAT PART DESC AS BEG 10 FT S & 400 FT E OF SW COR LOT 35 OF ECHO TERRACE AS REC	Mowing and debris removal	$ 230.00
9	Orlando Realty Trust Inc	610 N Buena Vista Dr	262732-508500-000030	RESUB OF BLOCKS 1 & 2 OF CODINGTON PB 12 PG 18 LOTS 3 & 4	Mowing and debris removal	$ 230.00
10	Bulmaro Delacruz	285 E Pierce St	262732-506500-004401	SECOND REPLAT OF BLOCKS 26 & 35 & N1/2 OF 44 OF LAKE ALFRED PB 31 PG 42 TRACT 44 E 114.55 FT OF N 148.7 FT	Mowing and debris removal	$ 225.00

City of Lake Alfred
155 E. Pomelo Street
Lake Alfred, FL 33850

Phone: (863) 291-5748
Fax: (863) 298-5403
www.mylakealfred.com

Community Development

Building | Code Enforcement | Planning | Zoning

Notice of Hearing
Providing for Collection of Code Enforcement
Special Assessments

NOTICE IS HEREBY GIVEN that the City Commission of the City of Lake Alfred, Florida at a regular meeting to be held on Monday, June 20, 2016 at 7:30pm in the City Commission Chambers, City Hall 120 E Pomelo Street, Lake Alfred, Florida, will hold a public hearing pursuant to Section 197.3632, Florida Statutes, utilizing the uniform method of collecting non-ad valorem assessments set forth in Section 197.3632, Florida Statutes, to collect the assessments set forth in this Notice. All affected property owners have a right to appear at this hearing and to be heard and the right to file written objections within 20 days of the publication of this notice.

The listed assessments will be included by the Tax Collector on the ad valorem tax bills to be mailed in November. Failure to pay assessments will cause a tax certificate to be issued against the subject property which may result in a loss of title. Written objections or questions should be directed to the Community Development Department, 120 E Pomelo Street, Lake Alfred, Florida 33850, telephone 863-291-5748, or email VVaught@Mylakealfred.com.

Anyone deciding to appeal a decision made by the City Commission at this hearing will need a recording of the proceedings, and for purposes of that appeal, may need to ensure that a verbatim record of the proceedings is made, which record includes testimony and evidence upon which the appeal is based pursuant to Section 286.0105 Florida Statutes. Please be advised that you must make your own arrangements to produce this record.

In accordance with the Americans with Disabilities Act and Florida Statutes 286.26, person with disabilities needing special accommodations to participate in this proceeding should contact the City Clerk's Office at least 48 hours prior to the proceeding, located in the Administration Building 155 E Pomelo Street, Lake Alfred, FL 33850, telephone 863-291-5747, or email ABailey@Mylakealfred.com.

Location	Parcel ID	Address	Total
1	262728-493500-001010	695 E Orange Ave	$ 775.00
2	262728-493500-004070	625 Grapefruit Ave	$ 796.30
3	262805-525000-002080	865 S Lake Shore Way	$ 260.00
4	262728-493500-007170	0 E Tangerine Ave	$ 285.00
5	262728-493500-002012	780 Martin Luther King Jr St	$ 605.00
6	262728-493500-006030	555 Midway Ave	$ 175.00
7	262732-506500-002605	260 E Haines Blvd	$ 325.00
8	262733-514600-000410	630 E Thelma St	$ 400.00
9	262805-523500-000080	335 S Echo Dr	$ 230.00
10	262732-508500-000030	610 N Buena Vista Dr	$ 230.00
11	262732-506500-004401	285 E Pierce St	$ 225.00
12	262733-000000-034040	0 Glencruiten Ave	$ 1,100.00

City of Lake Alfred
155 E. Pomelo Street
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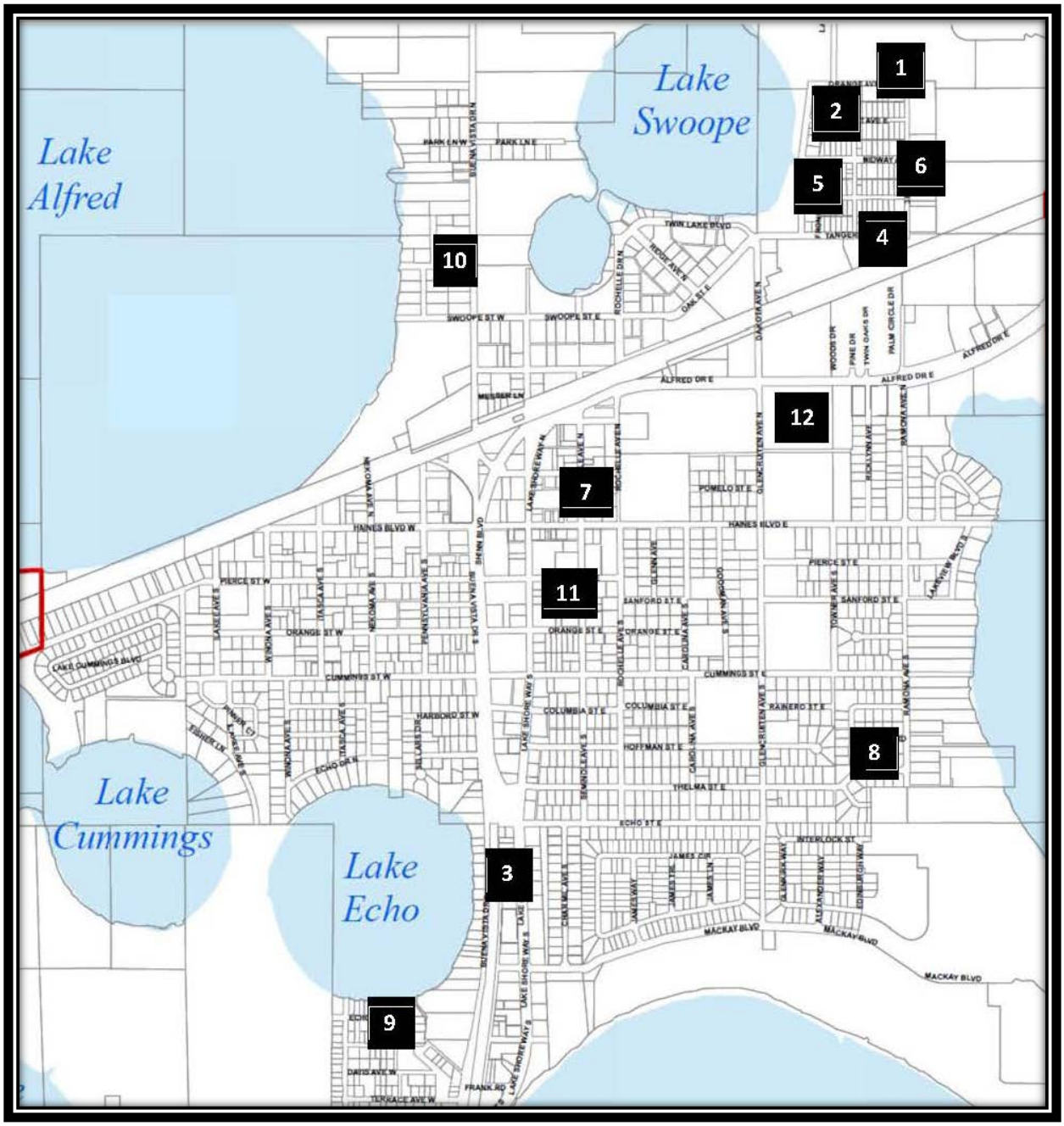
Community Development

Building | Code Enforcement | Planning | Zoning

Notice of Hearing
Providing for Collection of Code Enforcement
Special Assessments



LAKE ALFRED CITY COMMISSION MEETING
JULY 11, 2016

2.) PURCHASE AGREEMENT: 235 N. SEMINOLE AVENUE ADDED

3.) PURCHASE AGREEMENT: VACANT COMMERCIAL LOT ADDED

ISSUE: The City will consider purchasing a vacant commercial lot and the property on 235 N. Seminole Avenue

ATTACHMENTS:

- Purchase Agreement & Appraisal: 235 N. Seminole Avenue
- Purchase Agreement & Appraisal: Vacant Commercial Lot

ANALYSIS: The City has been pursuing several different property acquisition opportunities including:

- The duplex property on 235 N. Seminole Avenue adjacent to the Public Library. This would close out city ownership of the corner and its removal would allow for a future parking or expansion project. Proposed purchase price of $85,000.

- A small vacant commercial parcel in the downtown core. The property could aid in future development, parking, and/or green space. Proposed purchase price of $55,000.

At the June 20th City Commission meeting consensus was given to proceed with negotiations to purchase these properties. The proposed purchase agreements have been tentatively negotiated by staff pending approval by the City Commission.

The Lake Alfred Friends of the Library has agreed to provide $30,000 in financial assistance to aid the City in the purchase of the duplex property.

STAFF RECOMMENDATION: ITEM #2: Approve the purchase agreement for 235 N. Seminole Avenue in the amount of $85,000.

STAFF RECOMMENDATION: ITEM #3: Approve the purchase agreement for the vacant commercial lot in the amount of $55,000.

INVOICE

FROM:
Ozzie Carrerou
A.R.E.A. Real Estate Appraisers
Post Office Box 334
Winter Haven, FL 33882-0334

Telephone Number: 862-294-2384 **Fax Number:**

TO:
Valerie Ferrell
City of Lake Alfred
120 E. Pomelo Street
Lake Alfred, FL 33850

E-Mail:
Telephone Number: 863-291-5748 **Fax Number:** 863-298-5403
Alternate Number:

INVOICE NUMBER	
14060009	
DATES	
Invoice Date:	6/16/2014
Due Date:	
REFERENCE	
Internal Order #:	14060009
Lender Case #:	
Client File #:	
FHA/VA Case #:	
Main File # on form:	14060009
Other File # on form:	
Federal Tax ID:	59-2299667
Employer ID:	

DESCRIPTION

Lender: City of Lake Alfred **Client:** City of Lake Alfred
Purchaser/Borrower: City of Lake Alfred
Property Address: 235 N Seminole Ave
City: Lake Alfred
County: Polk **State:** Fl **Zip:** 33850
Legal Description: See additional comments

FEES	AMOUNT
	550.00
SUBTOTAL	550.00

PAYMENTS			AMOUNT
Check #:	**Date:**	**Description:**	
Check #:	**Date:**	**Description:**	
Check #:	**Date:**	**Description:**	
		SUBTOTAL	
		TOTAL DUE	$ 550.00

Small Residential Income Property Appraisal Report

File # 14060009

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.

SUBJECT

Property Address 235 N Seminole Ave | City Lake Alfred | State Fl | Zip Code 33850

Borrower City of Lake Alfred | Owner of Public Record Toni & Humberto Schaller | County Polk

Legal Description See additional comments

Assessor's Parcel # 26-27-32-512500-000130 | Tax Year 2013 | R.E. Taxes $ 904

Neighborhood Name Codington | Map Reference 26-27-32 | Census Tract 0138.01

Occupant ☐ Owner ☒ Tenant ☐ Vacant | Special Assessments $ 0 | ☐ PUD HOA $ ☐ per year ☐ per month

Property Rights Appraised ☒ Fee Simple ☐ Leasehold ☐ Other (describe)

Assignment Type ☐ Purchase Transaction ☐ Refinance Transaction ☒ Other (describe) To estimate market value

Lender/Client City of Lake Alfred | Address 120 E. Pomelo Street, Lake Alfred, FL 33850

Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? ☐ Yes ☒ No

Report data source(s) used, offering price(s), and date(s). The subject has not been listed for sale over the past 12 months, per MLS and owner.

CONTRACT

I ☐ did ☐ did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed. N/A

Contract Price $ N/A | Date of Contract N/A | Is the property seller the owner of public record? ☒ Yes ☐ No | Data Source(s) Public Records

Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? ☐ Yes ☐ No

If Yes, report the total dollar amount and describe the items to be paid. N/A N/A

NEIGHBORHOOD

Note: Race and the racial composition of the neighborhood are not appraisal factors.

Neighborhood Characteristics				2-4 Unit Housing Trends				2-4 Unit Housing			Present Land Use %	
Location	☐ Urban	☒ Suburban	☐ Rural	Property Values	☐ Increasing	☒ Stable	☐ Declining	PRICE		AGE	One-Unit	80 %
Built-Up	☒ Over 75%	☐ 25-75%	☐ Under 25%	Demand/Supply	☐ Shortage	☒ In Balance	☐ Over Supply	$ (000)		(yrs)	2-4 Unit	5 %
Growth	☐ Rapid	☒ Stable	☐ Slow	Marketing Time	☐ Under 3 mths	☒ 3-6 mths	☐ Over 6 mths	35	Low	30	Multi-Family	5 %
Neighborhood Boundaries	North - East Haines Blvd, South - E Echo St, East - South Ramona Ave and							100	High	55	Commercial	0 %
West - South Lake Shore Way								60	Pred.	35-40	Other	10 %

Neighborhood Description Shopping, schools, employment, medical and religious centers are located within reasonable driving radius. Employment is stable. Appeal is average, homes reflect generally average maintenance. No adverse factors noted.

Market Conditions (including support for the above conclusions) Based on the information available in MLS, the subject market values appears to have stabilized at this time. The information computed in this report only includes listings and sales that were reported in MLS. Using the information above, standard & poor's/case-shiller home price index, and conversations with local realtors, i conclude the subject's market conditions are stable with certain areas showing signs of growth and increase in values.

SITE

Dimensions 48 x 88 | Area 4,224 Sq.Ft. | Shape Rectangular | View Homes/Street

Specific Zoning Classification C2 | Zoning Description Commercial

Zoning Compliance ☐ Legal ☒ Legal Nonconforming (Grandfathered Use) ☐ No Zoning ☐ Illegal (describe)

Is the highest and best use of subject property as improved (or as proposed per plans and specifications) the present use? ☒ Yes ☐ No If No, describe

Utilities	Public	Other (describe)		Public	Other (describe)	Off-site Improvements - Type	Public	Private
Electricity	☒	☐	Water	☒	☐	Street Asphalt	☒	☐
Gas	☐	☐ None	Sanitary Sewer	☒	☐	Alley None	☐	☐

FEMA Special Flood Hazard Area ☐ Yes ☒ No | FEMA Flood Zone X | FEMA Map # 12105C0345F | FEMA Map Date 12/20/2000

Are the utilities and/or off-site improvements typical for the market area? ☒ Yes ☐ No If No, describe

Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? ☐ Yes ☒ No If Yes, describe

IMPROVEMENTS

General Description		Foundation		Exterior Description	materials/condition	Interior	materials/condition
Units	☒ Two ☐ Three ☐ Four	☒ Concrete Slab	☐ Crawl Space	Foundation Walls	Concrete/Average	Floors	Tile/Average
☐ Accessory Unit (describe below)		☐ Full Basement	☐ Partial Basement	Exterior Walls	Block/Average	Walls	Dw/Paint/Average
# of Stories 1	# of bldgs. 1	Basement Area	N/A sq.ft.	Roof Surface	Shingle/Average	Trim/Finish	Wd/Paint/Average
Type	☒ Det. ☐ Att. ☐ S-Det./End Unit	Basement Finish	N/A %	Gutters & Downspouts	None	Bath Floor	Tile/Average
☒ Existing	☐ Proposed ☐ Under Const.	☐ Outside Entry/Exit	☐ Sump Pump	Window Type	SingleHung/Average	Bath Wainscot	Tile/Average
Design (Style)	Duplex	Evidence of	☐ Infestation	Storm Sash/Insulated	None	**Car Storage**	
Year Built	1980	☐ Dampness	☐ Settlement	Screens	Screens/Average	☒ None	
Effective Age (Yrs)	15-20	**Heating/Cooling**		**Amenities**		☒ Driveway	# of Cars 4
Attic	☒ None	☒ FWA	☐ HWBB ☐ Radiant	☐ Fireplace(s) #	☐ Woodstove(s) #	Driveway Surface	All Weather
☐ Drop Stair	☐ Stairs	☐ Other	Fuel Electric	☐ Patio/Deck	☐ Fence	☐ Garage	# of Cars
☐ Floor	☐ Scuttle	Cooling	☐ Central Air Conditioning	☐ Pool	☐ Porch	☒ Carport	# of Cars 2
☐ Finished	☐ Heated	☒ Individual Wnd	☐ Other	☐ Other		☒ Att.	☐ Det. ☐ Built-in

# of Appliances	Refrigerator 2	Range/Oven 2	Dishwasher 2	Disposal	Microwave	Washer/Dryer	Other (describe)

Unit # 1 contains:	3 Rooms	1 Bedrooms	1 Bath(s)	555	Square Feet of Gross Living Area
Unit # 2 contains:	3 Rooms	1 Bedrooms	1 Bath(s)	555	Square Feet of Gross Living Area
Unit # 3 contains:	Rooms	Bedrooms	Bath(s)		Square Feet of Gross Living Area
Unit # 4 contains:	Rooms	Bedrooms	Bath(s)		Square Feet of Gross Living Area

Additional features (special energy efficient items, etc.). The subject has two units. Each unit has 1 bedroom, 1 bathroom, a family room and a kitchen. Each unit has use of a carport. The units are climate controlled by individual window a/c units.

Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). The subject appeals the have been repainted as well as slightly renovated within the past 10 years. According to the owners, the renovations include but are not limited to; flooring, electrical, paint and new plumbing.

Small Residential Income Property Appraisal Report

File # 14060009

IMPROVEMENTS

Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? ☐ Yes ☒ No If Yes, describe.

Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? ☒ Yes ☐ No If No, describe.

Is the property subject to rent control? ☐ Yes ☒ No If Yes, describe

COMPARABLE RENTAL DATA

The following properties represent the most current, similar, and proximate comparable rental properties to the subject property. This analysis is intended to support the opinion of the market rent for the subject property.

FEATURE	SUBJECT	COMPARABLE RENTAL # 1	COMPARABLE RENTAL # 2	COMPARABLE RENTAL # 3
Address	235 N Seminole Ave Lake Alfred, Fl 33850	3014 Reiter Dr Auburndale, FL 33823	2229 Leo Dr Lake Alfred, Fl 33850	5605 Struthers Ct Winter Haven, Florida 33884
Proximity to Subject		0.02 miles W	0.02 miles NW	1.47 miles E
Current Monthly Rent	$ 950	$ 1,000	$ 1,200	$ 1,000
Rent/Gross Bldg. Area	$ 0.86 sq.ft.	$ 0.61 sq.ft.	$ 0.55 sq.ft.	$ 0.54 sq.ft.
Rent Control	☐ Yes ☒ No	☐ Yes ☒ No	☐ Yes ☒ No	☐ Yes ☒ No
Data Source(s)	PR/Insp/Owner	Public Records/MLS#L4642409	Public Records/MLS#L4642261	Public Records/MLS#L4626293
Date of Lease(s)	Unknown	Unknown	Unknown	Unknown
Location	Average	Similar	Average	Average
Actual Age	34	38	34	33
Condition	Average	Average	Average	Average
Gross Building Area	1,110	1,652	2,180	1,850

Unit Breakdown	Rm Count			Size Sq. Ft.	Rm Count			Size Sq. Ft.	Monthly Rent	Rm Count			Size Sq. Ft.	Monthly Rent	Rm Count			Size Sq. Ft.	Monthly Rent
	Tot	Br	Ba	1,110	Tot	Br	Ba	1,652	1,000	Tot	Br	Ba	2,180	1,200	Tot	Br	Ba	1,850	1,000
Unit # 1	3	1	1	555	4	2	1	826	$ 500	4	2	2	1,090	$ 600	4	2	2	925	$ 500
Unit # 2	3	1	1	555	4	2	1	826	$ 500	4	2	2	1,090	$ 600	4	2	2	925	$ 500
Unit # 3									$					$					$
Unit # 4									$					$					$
Utilities Included	Water				Water					Water					Water				

Analysis of rental data and support for estimated market rents for the individual subject units reported below (including the adequacy of the comparables, rental concessions, etc.) Rents range from $500 to $600 per unit per month, however these three rental comparables are slightly superior in living area and bed/bath count. Therefore the subject appears to be at market rent.

SUBJECT RENT SCHEDULE

Rent Schedule: The appraiser must reconcile the applicable indicated monthly market rents to provide an opinion of the market rent for each unit in the subject property.

Leases			Actual Rents			Opinion of Market Rent		
Unit #	Lease Date: Begin Date	Lease Date: End Date	Per Unit: Unfurnished	Per Unit: Furnished	Total Rents	Per Unit: Unfurnished	Per Unit: Furnished	Total Rents
1	Unknown	Unknown	$ 475	$	$ 475	$ 475	$	$ 475
2	Unknown	Unknown	475		475	475		475
3								
4								

Comment on lease data	No leases were provided. The owner provided rents only.	Total Actual Monthly Rent	$ 950	Total Gross Monthly Rent	$ 950
		Other Monthly Income (itemize)	$	Other Monthly Income (itemize)	$
		Total Actual Monthly Income	$ 950	Total Estimated Monthly Income	$ 950

Utilities included in estimated rents ☐ Electric ☒ Water ☐ Sewer ☐ Gas ☐ Oil ☒ Trash collection ☐ Cable ☐ Other

Comments on actual or estimated rents and other monthly income (including personal property) The actual rents obtained by the subject property are considered to be indicative of market rents as determined by comparable rents in the area and by discussions with property managers and realtors in the area.

PRIOR SALE HISTORY

I ☒ did ☐ did not research the sale or transfer history of the subject property and comparable sales. If not, explain

My research ☐ did ☒ did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data Source(s) Public Records

My research ☒ did ☐ did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.

Data Source(s) Public Records

Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).

ITEM	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3
Date of Prior Sale/Transfer	No prior sales	No prior sales	No prior sales	01/14/2014
Price of Prior Sale/Transfer	Last 36 months	Last 36 months	Last 36 months	10,000
Data Source(s)	Public Records	Public Records	Public Records	Public Records
Effective Date of Data Source(s)	06/16/2014	06/16/2014	06/16/2014	06/16/2014

Analysis of prior sale or transfer history of the subject property and comparable sales The subject property shows no prior sales or transfers in the previous36 months. Sale three was purchased in a foreclosure sale. This does not reflect market value.

Form 1025 — "WinTOTAL" appraisal software by a la mode, inc. — 1-800-ALAMODE

Small Residential Income Property Appraisal Report

File # 14060009

There are 7 comparable properties currently offered for sale in the subject neighborhood ranging in price from $ 35,000 to $ 100,000 .

There are 9 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from $ 25,000 to $ 75,000 .

SALES COMPARISON APPROACH

FEATURE	SUBJECT	COMPARABLE SALE # 1		COMPARABLE SALE # 2		COMPARABLE SALE # 3	
Address	235 N Seminole Ave Lake Alfred, Fl 33850	3014 Reiter Dr Auburndale, FL 33823		5605 Struthers Ct Winter Haven, FL 33884		3018 Reiter Dr Auburndale, FL 33823	
Proximity to Subject		6.57 miles E		6.56 miles E		2.67 miles E	
Sale Price	$ N/A		$ 63,000		$ 76,000		$ 39,000
Sale Price/Gross Bldg. Area	$ sq.ft.	$ 38.14 sq.ft.		$ 41.08 sq.ft.		$ 23.21 sq.ft.	
Gross Monthly Rent	$ 950	$ 1,000		$ 1,100		$ 1,000	
Gross Rent Multiplier		63.00		69.09		39.00	
Price per Unit	$	$ 31,500		$ 38,000		$ 19,500	
Price per Room	$	$ 7,875		$ 9,500		$ 6,500	
Price per Bedroom	$	$ 15,750		$ 19,000		$ 19,500	
Rent Control	☐ Yes ☒ No	☐ Yes ☒ No		☐ Yes ☒ No		☐ Yes ☒ No	
Data Source(s)		Public Records/MLS#L4642409		Public Records/MLS#L4642409		Public Records/MLS#O5204012	
Verification Source(s)		Public Records/MLS		Public Records/MLS		PR/Inspection	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(–) Adjustment	DESCRIPTION	+(–) Adjustment	DESCRIPTION	+(–) Adjustment
Sale or Financing Concessions		Conventional None		Cash None		Cash None	
Date of Sale/Time		07/19/2013		08/06/2013		03/31/2014	
Location	Average	Average		Average		Average	
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Site	4,224 Sq.Ft.	8,800 Sq.Ft.		12,810 Sq.Ft.	-2,500	8,800 Sq.Ft.	
View	Homes/Street	Homes/Street		Homes/Street		Homes/Street	
Design (Style)	Duplex	Duplex		Duplex		Duplex	
Quality of Construction	Block/Average	Block/Average		Block/Average		Block/Average	
Actual Age	34	38	0	33	0	36	
Condition	Average	Average		Average		Fair	+15,000
Gross Building Area	1,110	1,652	-8,000	1,850	-11,000	1,680	-8,000
Unit Breakdown	Total / Bdrms / Baths	Total / Bdrms / Baths		Total / Bdrms / Baths		Total / Bdrms / Baths	
Unit # 1	3 / 1 / 1	4 / 2 / 1		4 / 2 / 2	-1,000	3 / 1 / 1	
Unit # 2	3 / 1 / 1	4 / 2 / 1		4 / 2 / 2	-1,000	3 / 1 / 1	
Unit # 3							
Unit # 4							
Basement Description	N/A	N/A		N/A		N/A	
Basement Finished Rooms	N/A	N/A		N/A		N/A	
Functional Utility	Average	Average		Average		Average	
Heating/Cooling	Elec FWA/CAC	Elec FWA/CAC		Elec FWA/CAC		Elec FWA/CAC	
Energy Efficient Items	No Fireplace	No Fireplace		No Fireplace		No Fireplace	
Parking On/Off Site	Carport	Open Parking	+2,500	Open Parking	+2,500	Open Parking	+2,500
Porch/Patio/Deck	None	None		(2) Screen Porch	-2,000	None	
Entry	Covered Entry	Covered Entry		Covered Entry		Covered Entry	
Pool, Etc.	None	None		None		None	
Appliances	Appliances	Appliances		Appliances		Appliances	
Net Adjustment (Total)		☐ + ☒ –	$ -5,500	☐ + ☒ –	$ -15,000	☒ + ☐ –	$ 9,500
Adjusted Sale Price of Comparables		Net Adj. 8.7 % Gross Adj. 16.7 %	$ 57,500	Net Adj. 19.7 % Gross Adj. 26.3 %	$ 61,000	Net Adj. 24.4 % Gross Adj. 65.4 %	$ 48,500
Adjusted Price Per Unit (Adj. SP Comp / # of Comp Units)		$ 28,750		$ 30,500		$ 24,250	
Adjusted Price Per Room (Adj. SP Comp / # of Comp Rooms)		$ 7,188		$ 7,625		$ 8,083	
Adjusted Price Per Bedrm (Adj. SP Comp / # of Comp Bedrooms)		$ 14,375		$ 15,250		$ 24,250	

Value per Unit $ 30,000 X 2 Units = $ 60,000 | Value per GBA $ 40.00 X 1,110 GBA = $ 44,400

Value per Rm. $ 7,500 X 6 Rooms = $ 45,000 | Value per Bdrms. $ 15,000 X 2 Bdrms. = $ 30,000

Summary of Sales Comparison Approach including reconciliation of the above indicators of value. There are very few sales of similar duplex properties available. The appraiser was unable to bracket the gross building area due to a lack of sales. Sales one and two have been given the most weight as they are most similar in condition to the subject. All sales are inferior in that they do not have covered parking. Sale two are two bedroom units which are superior. Sale three is in inferior condition to the subject. In the appraisal of duplex properties, it is typical to use a value per unit comparison to estimate the value of the subject property. The values range from $24,250 to $30,500 per unit with most weight being given to sales one and two. The reconciled value per unit is $30,000 x 2 (units) = $60,000.

Indicated Value by Sales Comparison Approach $ 60,000

INCOME

Total gross monthly rent $ 950 X gross rent multiplier (GRM) 65 = $ 61,750 Indicated value by the Income Approach

Comments on income approach including reconciliation of the GRM The actual rents obtained by the subject property are considered to be indicative of market rents as determined by comparable rents in the area and by discussions with property managers and realtors in the area. The GRM's range from 39 to 69 with most weight being given to sales one and two. The reconciled GRM is 65.

RECONCILIATION

Indicated Value by: Sales Comparison Approach $ 60,000 **Income Approach $** 61,750 **Cost Approach (if developed) $**

Primary consideration was given to the sales comparison approach because it best reflects the attitudes of buyers and seller in the current market, however the income approach does support the value conclusion. The Cost Approach has not been developed for this assignment.

This appraisal is made ☒ "as is", ☐ subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, ☐ subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or ☐ subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair: This appraisal has been made "as is"

Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is $ 60,000 **, as of** 06/11/2014 **, which is the date of inspection and the effective date of this appraisal.**

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Small Residential Income Property Appraisal Report

File # 14060009

ADDITIONAL COMMENTS

LEGAL DESCRIPTION:
CODINGTON REPLAT OF PART OF BLK 19 PB 4 PG 50 LOTS 13 & 14 & W1/2 OF CLOSED ALLEY LYING E OF SAME

THE TERM "INSPECTION", AS USED IN THIS REPORT, IS NOT THE SAME LEVEL OF INSPECTION THAT IS REQUIRED FOR A "PROFESSIONAL HOME INSPECTION". THE APPRAISER DOES NOT FULLY INSPECT THE ELECTRICAL SYSTEM, MECHANICAL SYSTEMS, FOUNDATION SYSTEM, FLOOR STRUCTURE OF SUBFLOOR. THE APPRAISER IS NOT AN EXPERT IN THE CONSTRUCTION MATERIALS AND THE PURPOSE OF THE APPRAISAL IS TO MAKE AN ECONOMIC EVALUATION OF THE SUBJECT PROPERTY. IF THE CLIENT NEEDS A MORE DETAILED INSPECTION OF THE PROPERTY, A HOME INSPECTION BY A PROFESSIONAL HOME INSPECTOR, IS SUGGESTED.

INTENDED USE:
THE INTENDED USER OF THIS APPRAISAL REPORT IS THE LENDER/CLIENT. THE INTENDED USE IS TO EVALUATE THE PROPERTY THAT IS THE SUBJECT OF THIS APPRAISAL IS TO ESTIMATE CURRENT MARKET VALUE, SUBJECT TO THE STATED SCOPE OF WORK, PURPOSE OF THE APPRAISAL, REPORTING REQUIREMENTS OF THIS APPRAISAL REPORT FORM, AND DEFINITION OF MARKET VALUE. NO ADDITIONAL INTENDED USERS ARE IDENTIFIED BY THE APPRAISER.

COST APPROACH

COST APPROACH TO VALUE (not required by Fannie Mae)

Provide adequate information for the lender/client to replicate the below cost figures and calculations.

Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value) The Cost Approach has not been developed for this assignment.

ESTIMATED ☐ REPRODUCTION OR ☐ REPLACEMENT COST NEW	OPINION OF SITE VALUE			=$
Source of cost data	DWELLING	Sq.Ft. @ $		=$
Quality rating from cost service Effective date of cost data		Sq.Ft. @ $		=$
Comments on Cost Approach (gross living area calculations, depreciation, etc.)				=$
	Garage/Carport	Sq.Ft. @ $		=$
	Total Estimate of Cost-New			=$
	Less Physical	Functional	External	
	Depreciation			=$( )
	Depreciated Cost of Improvements			=$
	"As-is" Value of Site Improvements			=$
Estimated Remaining Economic Life (HUD and VA only) Years	**INDICATED VALUE BY COST APPROACH**			**=$**

PUD INFORMATION

PROJECT INFORMATION FOR PUDs (if applicable)

Is the developer/builder in control of the Homeowners' Association (HOA)? ☐ Yes ☐ No Unit type(s) ☐ Detached ☐ Attached

Provide the following information for PUDs ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.

Legal Name of Project

Total number of phases Total number of units Total number of units sold

Total number of units rented Total number of units for sale Data source(s)

Was the project created by the conversion of existing building(s) into a PUD? ☐ Yes ☐ No If Yes, date of conversion.

Does the project contain any multi-dwelling units? ☐ Yes ☐ No Data Source

Are the units, common elements, and recreation facilities complete? ☐ Yes ☐ No If No, describe the status of completion.

Are the common elements leased to or by the Homeowners' Association? ☐ Yes ☐ No If Yes, describe the rental terms and options.

Describe common elements and recreational facilities.

Form 1025 — "WinTOTAL" appraisal software by a la mode, inc. — 1-800-ALAMODE

Small Residential Income Property Appraisal Report

File # 14060009

This report form is designed to report an appraisal of a two- to four-unit property, including a two- to four-unit property in a planned unit development (PUD). A two- to four-unit property located in either a condominium or cooperative project requires the appraiser to inspect the project and complete the project information section of the Individual Condominium Unit Appraisal Report or the Individual Cooperative Interest Appraisal Report and attach it as an addendum to this report.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

SCOPE OF WORK: The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a complete visual inspection of the interior and exterior areas of the subject property, (2) inspect the neighborhood, (3) inspect each of the comparable sales from at least the street, (4) research, verify, and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions, and conclusions in this appraisal report.

INTENDED USE: The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

INTENDED USER: The intended user of this appraisal report is the lender/client.

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS: The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.

2. The appraiser has provided a sketch in this appraisal report to show the approximate dimensions of the improvements, including each of the units. The sketch is included only to assist the reader in visualizing the property and understanding the appraiser's determination of its size.

3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.

4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.

5. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing this appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.

6. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

Form 1025 — "WinTOTAL" appraisal software by a la mode, inc. — 1-800-ALAMODE

Small Residential Income Property Appraisal Report

File # 14060009

APPRAISER'S CERTIFICATION: The Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.

2. I performed a complete visual inspection of the interior and exterior areas of the subject property, including all units. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.

3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.

4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison and income approaches to value. I have adequate market data to develop reliable sales comparison and income approaches to value for this appraisal assignment. I further certify that I considered the cost approach to value but did not develop it, unless otherwise indicated in this report.

5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.

6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.

7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.

8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.

9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.

10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.

11. I have knowledge and experience in appraising this type of property in this market area.

12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.

13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.

14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.

15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.

16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.

17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.

18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).

19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.

20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.

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Small Residential Income Property Appraisal Report

File # 14060009

21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).

22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.

23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.

24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

SUPERVISORY APPRAISER'S CERTIFICATION: The Supervisory Appraiser certifies and agrees that:

1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.

2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.

3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.

4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.

5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

APPRAISER

Signature
Name James W. Gray IV
Company Name AREA Real Estate Appraisers
Company Address 1136 First Street South, Winter Haven, FL 33880
Telephone Number (863) 294-2384
Email Address Sy@areareal estate.com
Date of Signature and Report June 16, 2014
Effective Date of Appraisal 06/11/2014
State Certification #
or State License # TRAINEE #RI23361
or Other (describe) State #
State FL
Expiration Date of Certification or License 11/30/2014

ADDRESS OF PROPERTY APPRAISED
235 N Seminole Ave
Lake Alfred, Fl 33850

APPRAISED VALUE OF SUBJECT PROPERTY $ 60,000

LENDER/CLIENT
Name Valerie Ferrell
Company Name City of Lake Alfred
Company Address 120 E. Pomelo Street, Lake Alfred, FL 33850
Email Address vferrell@mylakealfred.com

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature
Name Oswald P. Carrerou, SRA
Company Name AREA Real Estate Appraisers
Company Address PO Box 334, Winter Haven, FL 33881
Telephone Number (863) 294-2384
Email Address ozzie@areareal estate.com
Date of Signature June 16, 2014
State Certification # CERT GEN #RZ271
or State License #
State FL
Expiration Date of Certification or License 11/30/2014

SUBJECT PROPERTY

☒ Did not inspect subject property
☐ Did inspect exterior of subject property from street
Date of Inspection
☐ Did inspect interior and exterior of subject property
Date of Inspection

COMPARABLE SALES

☒ Did not inspect exterior of comparable sales from street
☐ Did inspect exterior of comparable sales from street
Date of Inspection

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Borrower	City of Lake Alfred			File No. 14060009	
Property Address	235 N Seminole Ave				
City	Lake Alfred	County Polk		State FI	Zip Code 33850
Lender	City of Lake Alfred				

APPRAISAL AND REPORT IDENTIFICATION

This Report is one of the following types:

☒ **Appraisal Report** (A written report prepared under Standards Rule 2-2(a), pursuant to the Scope of Work, as disclosed elsewhere in this report.)

☐ **Restricted Appraisal Report** (A written report prepared under Standards Rule 2-2(b), pursuant to the Scope of Work, as disclosed elsewhere in this report, restricted to the stated intended use by the specified client or intended user.)

Comments on Standards Rule 2-3

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.
— Unless otherwise indicated, 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.
— Unless otherwise indicated, I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
— I have no bias with respect to the property that is the subject of this report or the parties involved with this assignment.
— My engagement in this assignment was not contingent upon developing or reporting predetermined results.
— My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
— My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice that were in effect at the time this report was prepared.
— Unless otherwise indicated, I have made a personal inspection of the property that is the subject of this report.
— Unless otherwise indicated, no one provided significant real property appraisal assistance to the person(s) signing this certification (if there are exceptions, the name of each individual providing significant real property appraisal assistance is stated elsewhere in this report).

Comments on Appraisal and Report Identification

Note any USPAP related issues requiring disclosure and any State mandated requirements:

No prior services, appraisal or otherwise, have been performed on the subject property in the 3 years preceding the acceptance of the appraisal assignment.

APPRAISER:

Signature:
Name: James W. Gray IV
State Certification #:
or State License #: TRAINEE #RI23361
State: FL Expiration Date of Certification or License: 11/30/2014
Date of Signature and Report: June 16, 2014
Effective Date of Appraisal: 06/11/2014
Inspection of Subject: ☐ None ☒ Interior and Exterior ☐ Exterior-Only
Date of Inspection (if applicable): 06/11/2014

SUPERVISORY or CO-APPRAISER (if applicable):

Signature:
Name: Oswald P. Carrerou, SRA
State Certification #: CERT GEN #RZ271
or State License #:
State: FL Expiration Date of Certification or License: 11/30/2014
Date of Signature: June 16, 2014
Inspection of Subject: ☒ None ☐ Interior and Exterior ☐ Exterior-Only
Date of Inspection (if applicable):

Subject Photo Page

Borrower	City of Lake Alfred						
Property Address	235 N Seminole Ave						
City	Lake Alfred	County	Polk	State	Fl	Zip Code	33850
Lender	City of Lake Alfred						

Subject Front

235 N Seminole Ave

Sales Price	N/A
Gross Building Area	1,110
Age	34

Subject Rear

Subject Street

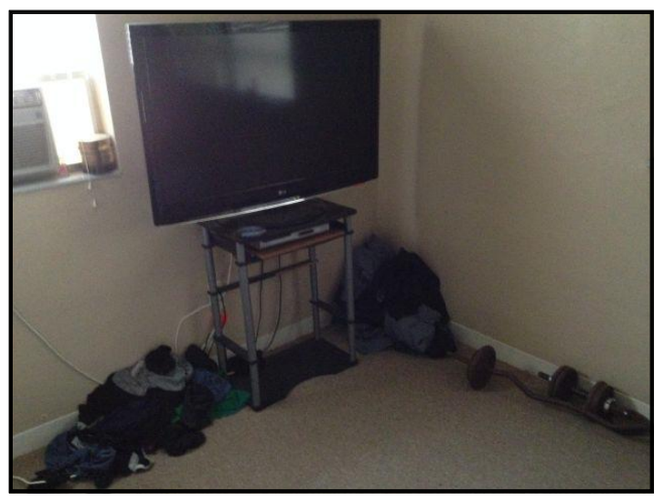
Photograph Addendum

Borrower	City of Lake Alfred						
Property Address	235 N Seminole Ave						
City	Lake Alfred	County	Polk	State	Fl	Zip Code	33850
Lender	City of Lake Alfred						

Unit 1 Kitchen

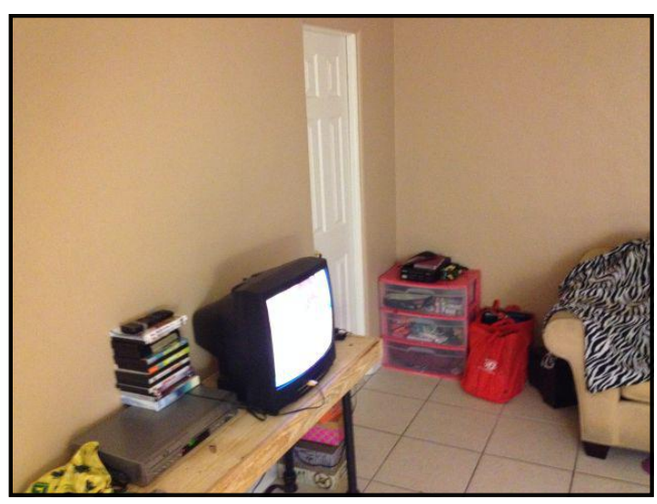
Unit 1 Family Room

Unit 1 Bathroom



Unit 1 Bedroom

Unit 2 Kitchen

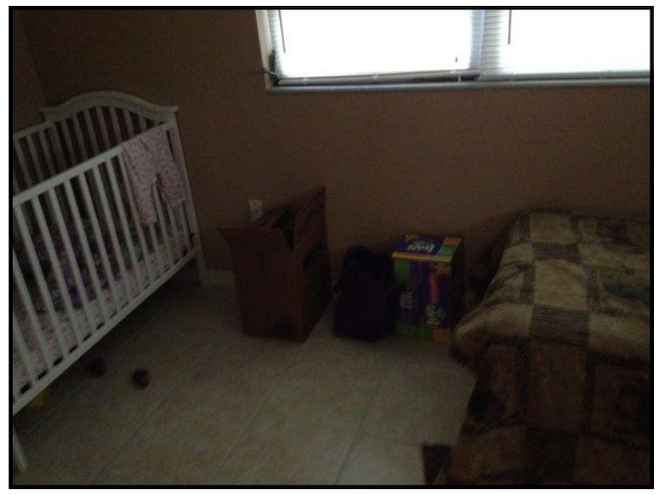


Unit 2 Family Room

Photograph Addendum

Borrower	City of Lake Alfred						
Property Address	235 N Seminole Ave						
City	Lake Alfred	County	Polk	State	Fl	Zip Code	33850
Lender	City of Lake Alfred						

Unit 2 Bathroom



Unit 2 Bedroom

Comparable Photo Page

Borrower	City of Lake Alfred						
Property Address	235 N Seminole Ave						
City	Lake Alfred	County	Polk	State	Fl	Zip Code	33850
Lender	City of Lake Alfred						

Comparable 1

3014 Reiter Dr

Sales Price	63,000
Gross Building Area	1,652
Age	38

Comparable 2

5605 Struthers Ct

Sales Price	76,000
Gross Building Area	1,850
Age	33

Comparable 3

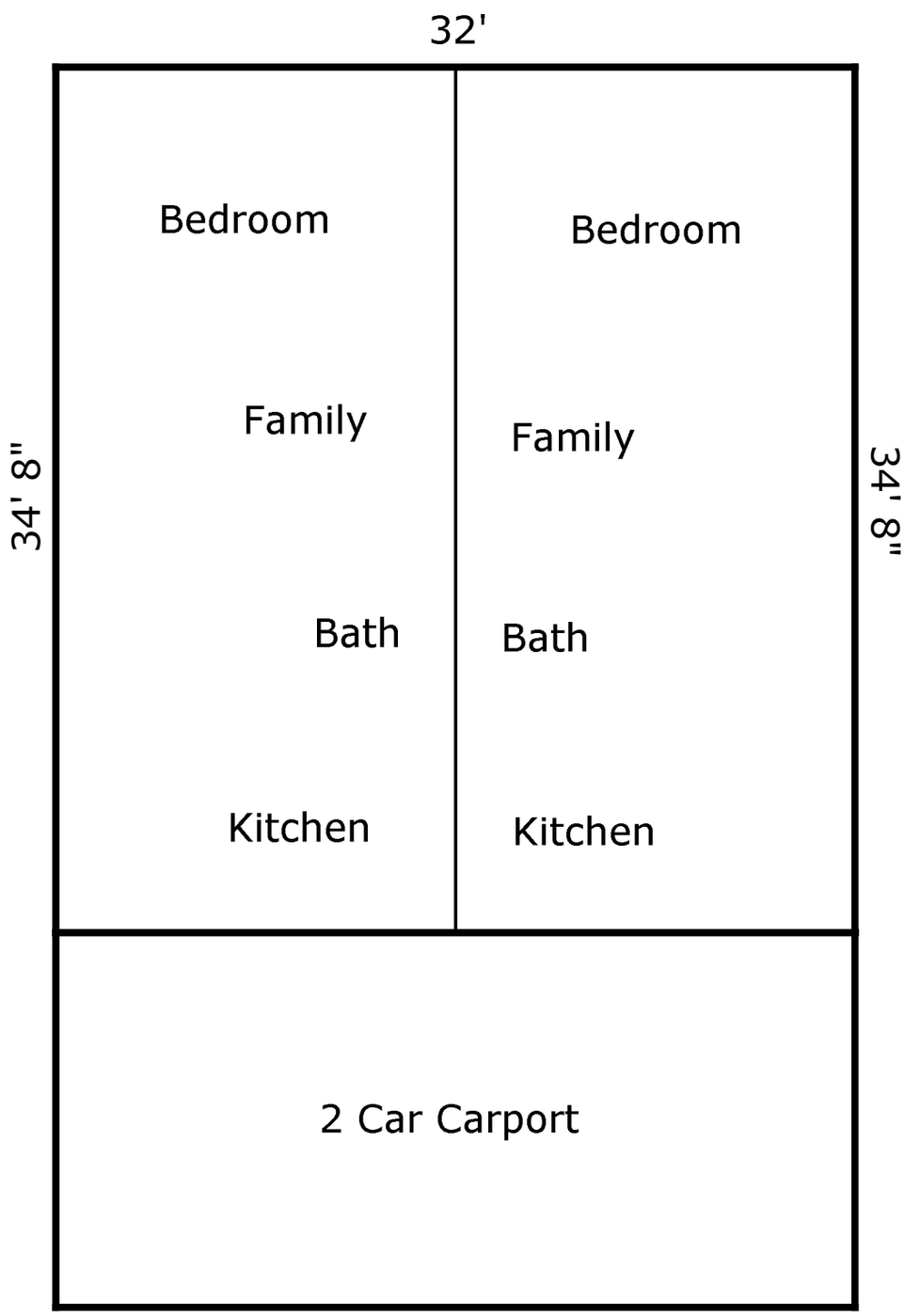
3018 Reiter Dr

Sales Price	39,000
Gross Building Area	1,680
Age	36

Main File No. 14060009

Building Sketch

Borrower	City of Lake Alfred						
Property Address	235 N Seminole Ave						
City	Lake Alfred	County	Polk	State	Fl	Zip Code	33850
Lender	City of Lake Alfred						



TOTAL Sketch by a la mode, inc.

Area Calculations Summary

Living Area	
First Floor	1109.33 Sq ft
Total Living Area (Rounded):	**1109 Sq ft**
Non-living Area	
2 Car Carport	480 Sq ft

Main File No. 14060009

Plat Map

Borrower	City of Lake Alfred						
Property Address	235 N Seminole Ave						
City	Lake Alfred	County	Polk	State	Fl	Zip Code	33850
Lender	City of Lake Alfred						

Qualifications

Borrower	City of Lake Alfred						
Property Address	235 N Seminole Ave						
City	Lake Alfred	County	Polk	State	Fl	Zip Code	33850
Lender	City of Lake Alfred						

PROFESSIONAL QUALIFICATIONS

OSWALD P. CARREROU, President
A.R.E.A. REAL ESTATE APPRAISERS, INC.,
State Certified General Contractor CGC 1511393
State Certified General Real Estate Appraiser RZ271

Mr. Carrerou founded A.R.E.A Real Estate Appraisers, Incorporated in 1982. He is currently the owner and President of the firm, which specializes in appraising commercial, industrial, agricultural, residential, and special purpose properties. Mr. Carrerou is committed to excellence and quality and is dedicated to providing superior customer service.

State Certified General Real Estate Appraiser,		1990, No. RZ271
President, A.R.E.A. Real Estate Appraisers, Inc.		SINCE 1982
President, Premier Construction, LLC		SINCE 1996
Special Magistrate Appointment:	Highlands County, Florida	1999 – 2002, 2004 – 2008
	Polk County, Florida	2000 – 2001, 2003 – 2010
	Brevard County, Florida	2009 – 2010
	Alachua County, Florida	2010

FORMAL EDUCATION

Florida State University - Tallahassee, Florida
Bachelor of Science in Business Administration and Real Estate - 1978

PROFESSIONAL ASSOCIATIONS, DESIGNATIONS & MEMBERSHIPS

APPRAISAL INSTITUTE, SRA Designation - 1982
STATE CERTIFIED GENERAL REAL ESTATE APPRAISER, Since 1990, #RZ271 (State of Florida)
STATE CERTIFIED GENERAL REAL PROPERTY APPRAISER, Since 2008 (State of Georgia)
STATE CERTIFIED GENERAL CONTRACTOR 1511393
Florida Association of Realtors
East Polk County Association of Realtors
Licensed Real Estate Broker - State of Florida

EDUCATIONAL CREDITS -(Courses Completed)
Appraisal Institute
SRA Designation, 1982
410 Standard of Professional Practice Part a (USPAP)
430 Standards of Professional Practice, Part "C"
510 Advanced Income Capitalization
520 Highest & Best Use and Market Analysis
530 Advances Sales Comparison and Cost Approach
Regression Analysis in Appraisal Practice
707 Technology Forum, Part I
713 Technology Forum Part II
Appraisal of Retail Properties
Subdivision Valuation
Litigation Appraising

Florida State University
- Real Estate Principles and Practices
- Real Estate Finance
- Real Estate Appraisal
- Advanced Real Estate Appraisal
- Legal Environment of Real Estate
- Real Estate Feasibility Analysis

Florida Department of Revenue, Stephen Keller, Office of General Counsel
Value Adjustment Board/Special Master Training Seminar
Value Adjustment Board workshop on drafting new VAB procedures – Tallahassee, May 2009

AGRICULTURAL & VACANT LAND:
- Citrus Groves, Pasture and Crop Land
- Commercial & Industrial
- Residential
- Conservation/Reserved Wetlands

RESIDENTIAL:
- Townhome, Villa, Duplex
- Single Family
- Condominium
- Planned Residential Subdivisions

RESIDENTIAL INCOME PRODUCING:
- Apartment Buildings
- Small Residential Income (1-4 family)
- Proposed and Existing Townhome Developments

INDUSTRIAL:
- Distribution, Storage & Mini-Storage Warehouses
- Flex-Space Industrial Buildings

COMMERCIAL:
- Luxury Hotels
- Resort Motels
- Free-Standing & Multi-Story Office Buildings
- Professional Office Condominiums
- Community & Neighborhood Shopping Centers
- Free-Standing & Retail Strip Centers
- Mobile Home and Recreational Vehicle Parks
- Restaurants, Including Fast Food & Drive-Through
- Service Stations, Service Garages & Dealerships

SPECIAL PURPOSE & OTHER:
- Have provided appraisal services, valuation analysis and consulting services.
- Completing several eminent domain appraisal assignments in Polk and Hillsboro Counties.
- Qualified as en Expert Witness Polk, Hillsboro through testimony in several trials and Order of Taking Hearings.

THE DOCUMENT IS ACCEPTED INCORPORATED USE AS A VALID LICENSE WITHOUT ALTERATION OR FADING
AC#6437687
STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
FLORIDA REAL ESTATE APPRAISAL BD
SEQ# L1210303345
DATE | BATCH NUMBER | LICENSE NBR.
10/03/2012 | 12803B030 | RZ271
The CERTIFIED GENERAL APPRAISER
Named below IS CERTIFIED
Under the provisions of Chapter 475 FS.
Expiration date: NOV 30, 2014
CARREROU, OSWALD P
1115 EAST BOTTH
WINTER HAVEN FL 33880
RICK SCOTT
GOVERNOR
KEN LAWSON
SECRETARY
DISPLAY AS REQUIRED BY LAW

EXPERIENCE

1982 to Present	A.R.E. A. Real Estate Appraisers, Inc., President Single Family, Multiple Family, Condominium, Commercial Appraising (100% time appraising).
6/80 to 4/82	Cypress Gardens Realty, 290 Cypress Gardens Boulevard, Winter Haven, Florida. Single Family, Multiple Family, Condominium, Commercial Appraising (100% time appraising).
8/78 to 6/80	First Federal of Broward, Fort Lauderdale, Florida. Single Family, Multiple Family and Condominiums (100% time appraising).

Qualifications

Borrower	City of Lake Alfred						
Property Address	235 N Seminole Ave						
City	Lake Alfred	County	Polk	State	FI	Zip Code	33850
Lender	City of Lake Alfred						

PROFESSIONAL QUALIFICATIONS

James W. Gray IV
A.R.E.A. REAL ESTATE APPRAISERS, INC.
State Registered Trainee Real Estate Appraiser #RI 23361

REAL ESTATE/CONSTRUCTION/APPRAISAL EXPERIENCE

2012-Present A.R.E.A. Real Estate Appraisers, Inc.; Winter Haven, Florida; Fee Appraiser

2003-2008 Stock Building Supply, Inc.; Winter Haven, Florida; Truss Design Technician

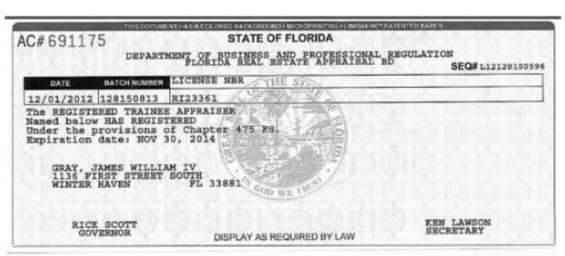
EDUCATIONAL/PROFESSIONAL CREDITS

Florida Southern College
Bachelor of Science in Citrus/Business Administration, 2001

Appraisal Education
Appraisal Principles - 2009
Appraisal Procedures – 2009
USPAP - 2012
Residential Market Analysis and Highest and Best Use – 2009
General Appraisers Sales Comparison Approach – 2012
General Site Valuation and the Cost Approach –2012
General Market Analysis and Highest and Best Use –2013
General Report Writing and Case Studies -- 2013

Additional Courses from:
The Appraisal Institute
IFREC Real Estate School
Cooke Real Estate School

PROFESSIONAL ASSOCIATIONS
Appraisal Institute


AC# 691175
STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
FLORIDA REAL ESTATE APPRAISAL BD
SEQ# L12120100596

DATE	BATCH NUMBER	LICENSE NBR
12/01/2012	128150813	RI23361

The REGISTERED TRAINEE APPRAISER
Named below HAS REGISTERED
Under the provisions of Chapter 475 FS.
Expiration date: NOV 30, 2014

GRAY, JAMES WILLIAM IV
1135 FIRST STREET SOUTH
WINTER HAVEN FL 33881

RICK SCOTT
GOVERNOR

DISPLAY AS REQUIRED BY LAW

KEN LAWSON
SECRETARY

Commercial Contract

COLDWELL BANKER COMMERCIAL
NRT

* **1. PARTIES AND PROPERTY:** CITY OF LAKE ALFRED ("Buyer")
* agrees to buy and TONI SCHALLER and J. HUMBERTO SCHALLER ("Seller")
* agrees to sell the property described as: Street Address: 235 North Seminole Avenue
* Lake Alfred, FL 33850
* Legal Description: POLK PA ID NO. 262732512500000130
*
* and the following Personal Property: none
*

(all collectively referred to as the "Property") on the terms and conditions set forth below.

* **2. PURCHASE PRICE:** $ ~~80,000.00~~ 85,000 TS JS

* **(a)** Deposit held in escrow by Floyd, Sammons & Spanjers, P.A. $ 5,000.00
("Escrow Agent") (checks are subject to actual and final collection)

* Escrow Agent's address: 1556 6th Street, S.E. Phone: 863-293-3801
Winter Haven, FL 33880

* **(b)** Additional deposit to be made to Escrow Agent within _____ days after Effective Date $ _____

* **(c)** Additional deposit to be made to Escrow Agent within _____ days after Effective Date $ _____

* **(d)** Total financing (as referenced in Paragraph 5) $ _____

* **(e)** Other: _____ $ _____

* **(f)** All deposits will be credited to the purchase price at closing. Balance to close, subject to adjustments and prorations, to be paid locally with drawn cashier's or official bank check(s) or wire transfer. $ ~~75,000.00~~ 80,000 TS JS

3. TIME FOR ACCEPTANCE; EFFECTIVE DATE; COMPUTATION OF TIME: Unless this offer is signed by **Seller** * and **Buyer** and an executed copy delivered to all parties on or before _____, this offer will be withdrawn and the **Buyer's** deposit, if any, will be returned. The time for acceptance of any counter offer will be 3 days from the date the counter offer is delivered. ~~**The "Effective Date" of this Contract is the date on which the last one of the Seller and Buyer has signed or initialed and delivered this offer or the final counter offer.**~~ Calendar days will be used when computing time periods, except time periods of 5 days or less. Time periods of 5 days or less will be computed without including Saturday, Sunday, or national legal holidays. Any time period ending on a Saturday, Sunday, or national legal holiday will extend until 5:00 p.m. of the next business day. **Time is of the essence in this Contract.**

4. CLOSING DATE AND LOCATION:

* **(a) Closing Date:** This transaction will be closed on 15 DAYS AFTER CLOSE OF DD (Closing Date), unless specifically extended by other provisions of this Contract. The Closing Date will prevail over all other time periods including, but not limited to, Financing and Due Diligence periods. In the event insurance underwriting is suspended on Closing Date and **Buyer** is unable to obtain property insurance, **Buyer** may postpone closing up to 5 days after the insurance underwriting suspension is lifted.

* **Buyer** ( ) ( ) and **Seller** (TS) (JS) acknowledge receipt of a copy of this page, which is page 1 of 8 Pages.

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* **(b) Location:** Closing will take place in Polk County, Florida. (If left blank, closing will take place in the county where the property is located.) Closing may be conducted by mail or electronic means.

5. ~~THIRD PARTY FINANCING:~~

* ~~**BUYER'S OBLIGATION:** Within _____ days (5 days if left blank) after Effective Date, **Buyer** will apply for third party financing in an amount not to exceed _____ % of the purchase price or $ _____, with a fixed interest rate not to exceed _____ % per year with an initial variable interest rate not to exceed _____ %, with points or commitment or loan fees not to exceed _____ % of the principal amount, for a term of _____ years, and amortized over _____ years, with additional terms as follows:~~

* _____.

~~**Buyer** will timely provide any and all credit, employment, financial and other information reasonably required by any lender. **Buyer** will use good faith and reasonable diligence to (i) obtain Loan Approval within _____ days (45 days if left blank) from Effective Date (Loan Approval Date), (ii) satisfy terms and conditions of the Loan Approval, and (iii) close the loan. **Buyer** will keep **Seller** and Broker fully informed about loan application status and authorizes the mortgage broker and lender to disclose all such information to **Seller** and Broker. **Buyer** will notify **Seller** immediately upon obtaining financing or being rejected by a lender. **CANCELLATION:** If **Buyer**, after using good faith and reasonable diligence, fails to obtain Loan Approval by Loan Approval Date, **Buyer** may within _____ days (3 days if left blank) deliver written notice to **Seller** stating **Buyer** either waives this financing contingency or cancels this Contract. If **Buyer** does neither, then **Seller** may cancel this Contract by delivering written notice to **Buyer** at any time thereafter. Unless this financing contingency has been waived, this Contract shall remain subject to the satisfaction, by closing, of those conditions of Loan Approval related to the Property. **DEPOSIT(S) (for purposes of Paragraph 5 only):** If **Buyer** has used good faith and reasonable diligence but does not obtain Loan Approval by Loan Approval Date and thereafter either party elects to cancel this Contract as set forth above or the lender fails or refuses to close on or before the Closing Date without fault on **Buyer's** part, the Deposit(s) shall be returned to **Buyer**, whereupon both parties will be released from all further obligations under this Contract, except for obligations stated herein as surviving the termination of this Contract. If neither party elects to terminate this Contract as set forth above or **Buyer** fails to use good faith or reasonable diligence as set forth above, **Seller** will be entitled to retain the Deposit(s) if the transaction does not close.~~

* **6. TITLE: Seller** has the legal capacity to and will convey marketable title to the Property by ☑ statutory warranty deed ☐ other _____, free of liens, easements and encumbrances of record or known to **Seller**, but subject to property taxes for the year of closing; covenants, restrictions and public utility easements of record; existing zoning and governmental regulations; and (list any other matters to which title will be subject) NONE

* _____

provided there exists at closing no violation of the foregoing and none of them prevents **Buyer's** intended use of the Property as DUPLEX.

* **(a) Evidence of Title:** The party who pays the premium for the title insurance policy will select the closing agent and pay for the title search and closing services. **Seller** will, at (check one) ☑ **Seller's** ☐ **Buyer's** expense and within 10 days ☑ after Effective Date ☐ or at least _____ days before Closing Date deliver to **Buyer** (check one)

* ☑ (i.) a title insurance commitment by a Florida licensed title insurer setting forth those matters to be discharged by **Seller** at or before Closing and, upon **Buyer** recording the deed, an owner's policy in the amount of the purchase price for fee simple title subject only to exceptions stated above. If **Buyer** is paying for the evidence of title and **Seller** has an owner's policy, **Seller** will deliver a copy to **Buyer** within 15 days after Effective Date.

* ☐ (ii.) an abstract of title, prepared or brought current by an existing abstract firm or certified as correct by an existing firm. However, if such an abstract is not available to **Seller**, then a prior owner's title policy acceptable to the proposed insurer as a base for reissuance of coverage may be used. The prior policy will include copies of all policy exceptions and an update in a format acceptable to **Buyer** from the policy effective date and certified to **Buyer** or **Buyer's** closing agent together with copies of all documents recited in the prior policy and in the update. If such an abstract or prior policy is not available to **Seller** then (i.) above will be the evidence of title.

(b) Title Examination: Buyer will, within 15 days from receipt of the evidence of title deliver written notice to **Seller** of title defects. Title will be deemed acceptable to **Buyer** if (1) **Buyer** fails to deliver proper notice of defects or

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(2) **Buyer** delivers proper written notice and **Seller** cures the defects within 5 days from receipt of the notice ("Curative Period"). If the defects are cured within the Curative Period, closing will occur within 10 days from receipt by **Buyer** of notice of such curing. **Seller** may elect not to cure defects if **Seller** reasonably believes any defect cannot be cured within the Curative Period. If the defects are not cured within the Curative Period, **Buyer** will have 10 days from receipt of notice of **Seller's** inability to cure the defects to elect whether to terminate this Contract or accept title subject to existing defects and close the transaction without reduction in purchase price.

(c) Survey: (check applicable provisions below)

☑ (i.) **Seller** will, within 5 days from Effective Date, deliver to **Buyer** copies of prior surveys, plans, specifications, and engineering documents, if any, and the following documents relevant to this transaction: NONE, prepared for **Seller** or in **Seller's** possession, which show all currently existing structures. In the event this transaction does not close, all documents provided by **Seller** will be returned to **Seller** within 10 days from the date this Contract is terminated.

☑ **Buyer** will, at ☐ **Seller's** ☑ **Buyer's** expense and within the time period allowed to deliver and examine title evidence, obtain a current certified survey of the Property from a registered surveyor. If the survey reveals encroachments on the Property or that the improvements encroach on the lands of another, ☐ **Buyer** will accept the Property with existing encroachments ☑ such encroachments will constitute a title defect to be cured within the Curative Period.

(d) Ingress and Egress: Seller warrants that the Property presently has ingress and egress.

7. PROPERTY CONDITION: Seller will deliver the Property to **Buyer** at the time agreed in its present "as is" condition, ordinary wear and tear excepted, and will maintain the landscaping and grounds in a comparable condition. **Seller** makes no warranties other than marketability of title. In the event that the condition of the Property has materially changed since the expiration of the Due Diligence Period, **Buyer** may elect to terminate the Contract and receive a refund of any and all deposits paid, plus interest, if applicable. By accepting the Property "as is", **Buyer** waives all claims against **Seller** for any defects in the Property. (Check **(a)** or **(b)**)

☐ **(a) As Is: Buyer** has inspected the Property or waives any right to inspect and accepts the Property in its "as is" condition.

☑ **(b) Due Diligence Period: Buyer** will, at **Buyer's** expense and within 60 days from Effective Date ("Due Diligence Period"), determine whether the Property is suitable, in **Buyer's** sole and absolute discretion, for **Buyer's** intended use and development of the Property as specified in Paragraph 6. During the Due Diligence Period, **Buyer** may conduct any tests, analyses, surveys and investigations ("Inspections") which **Buyer** deems necessary to determine to **Buyer's** satisfaction the Property's engineering, architectural, environmental properties; zoning and zoning restrictions; flood zone designation and restrictions; subdivision regulations; soil and grade; availability of access to public roads, water, and other utilities; consistency with local, state and regional growth management and comprehensive land use plans; availability of permits, government approvals and licenses; compliance with American with Disabilities Act; absence of asbestos, soil and ground water contamination; and other inspections that **Buyer** deems appropriate to determine the suitability of the Property for **Buyer's** intended use and development. **Buyer** will deliver written notice to **Seller** prior to the expiration of the Due Diligence Period of **Buyer's** determination of whether or not the Property is acceptable. **Buyer's** failure to comply with this notice requirement will constitute acceptance of the Property in its present "as is" condition. **Seller** grants to **Buyer**, its agents, contractors and assigns, the right to enter the Property at any time during the Due Diligence Period for the purpose of conducting Inspections; provided, however, that **Buyer**, its agents, contractors and assigns enter the Property and conduct Inspections at their own risk. **Buyer** will indemnify and hold **Seller** harmless from losses, damages, costs, claims and expenses of any nature, including attorneys' fees at all levels, and from liability to any person, arising from the conduct of any and all inspections or any work authorized by **Buyer**. **Buyer** will not engage in any activity that could result in a mechanic's lien being filed against the Property without **Seller's** prior written consent. In the event this transaction does not close, (1) **Buyer** will repair all damages to the Property resulting from the Inspections and return the Property to the condition it was in prior to conduct of the Inspections, and (2) **Buyer** will, at **Buyer's** expense release to **Seller** all reports and other work generated as a result of the Inspections. Should **Buyer** deliver timely notice that the Property is not acceptable, **Seller** agrees that **Buyer's** deposit will be immediately returned to **Buyer** and the Contract terminated.

(c) Walk-through Inspection: Buyer may, on the day prior to closing or any other time mutually agreeable to the

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parties, conduct a final "walk-through" inspection of the Property to determine compliance with this paragraph and to ensure that all Property is on the premises.

8. OPERATION OF PROPERTY DURING CONTRACT PERIOD: Seller will continue to operate the Property and any business conducted on the Property in the manner operated prior to Contract and will take no action that would adversely impact the Property, tenants, lenders or business, if any. Any changes, such as renting vacant space, that
* materially affect the Property or **Buyer's** intended use of the Property will be permitted ☑ only with **Buyer's** consent
* ☐ without **Buyer's** consent.

9. CLOSING PROCEDURE: Unless otherwise agreed or stated herein, closing procedure shall be in accordance with the norms where the Property is located.

(a) Possession and Occupancy: Seller will deliver possession and occupancy of the Property to **Buyer** at closing. **Seller** will provide keys, remote controls, and any security/access codes necessary to operate all locks, mailboxes, and security systems.

(b) Costs: Buyer will pay **Buyer's** attorneys' fees, taxes and recording fees on notes, mortgages and financing statements and recording fees for the deed. **Seller** will pay **Seller's** attorneys' fees, taxes on the deed and recording fees for documents needed to cure title defects. If **Seller** is obligated to discharge any encumbrance at or prior to closing and fails to do so, **Buyer** may use purchase proceeds to satisfy the encumbrances.

(c) Documents: Seller will provide the deed; bill of sale; mechanic's lien affidavit; originals of those assignable service and maintenance contracts that will be assumed by **Buyer** after the Closing Date and letters to each service contractor from **Seller** advising each of them of the sale of the Property and, if applicable, the transfer of its contract, and any assignable warranties or guarantees received or held by **Seller** from any manufacturer, contractor, subcontractor, or material supplier in connection with the Property; current copies of the condominium documents, if applicable; assignments of leases, updated rent roll; tenant and lender estoppels letters; tenant subordination, non-disturbance and attornment agreements (SNDAs) required by the **Buyer** or **Buyer's** lender; assignments of permits and licenses; corrective instruments; and letters notifying tenants of the change in ownership/rental agent. If any tenant refuses to execute an estoppels letter, **Seller** will certify that information regarding the tenant's lease is correct. If **Seller** is an entity, **Seller** will deliver a resolution of its Board of Directors authorizing the sale and delivery of the deed and certification by the appropriate party certifying the resolution and setting forth facts showing the conveyance conforms to the requirements of local law. **Seller** will transfer security deposits to **Buyer. Buyer** will provide the closing statement, mortgages and notes, security agreements, and financing statements.

~~**(d) Taxes and Prorations:** Real estate taxes, personal property taxes on any tangible personal property, bond payments assumed by **Buyer,** interest, rents (based on actual collected rents), association dues, insurance premiums acceptable to **Buyer,** and operating expenses will be prorated through the day before closing. If the amount of taxes for the current year cannot be ascertained, rates for the previous year will be used with due allowance being made for improvements and exemptions. Any tax proration based on an estimate will, at request of either party, be readjusted upon receipt of current year's tax bill; this provision will survive closing.~~

~~**(e) Special Assessment Liens:** Certified, confirmed, and ratified special assessment liens as of the Closing Date will be paid by **Seller.** If a certified, confirmed, and ratified special assessment is payable in installments, **Seller** will pay all installments due and payable on or before the Closing Date, with any installment for any period extending beyond the Closing Date prorated, and **Buyer** will assume all installments that become due and payable after the Closing Date. **Buyer** will be responsible for all assessments of any kind which become due and owing after Closing Date, unless an improvement is substantially completed as of Closing Date. If an improvement is substantially completed as of the Closing Date but has not resulted in a lien before closing, **Seller** will pay the amount of the last estimate of the assessment. This subsection applies to special assessment liens imposed by a public body and does not apply to condominium association special assessments.~~

(f) Foreign Investment in Real Property Tax Act (FIRPTA): If Seller is a "foreign person" as defined by FIRPTA, **Seller** and **Buyer** agree to comply with Section 1445 of the Internal Revenue Code. **Seller** and **Buyer** will complete, execute, and deliver as directed any instrument, affidavit, or statement reasonably necessary to comply with the FIRPTA requirements, including delivery of their respective federal taxpayer identification numbers or

* **Buyer** (PA)( ) and **Seller** (BS)(JS) acknowledge receipt of a copy of this page, which is page 4 of 8 Pages.

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Social Security Numbers to the closing agent. If **Buyer** does not pay sufficient cash at closing to meet the withholding requirement, **Seller** will deliver to **Buyer** at closing the additional cash necessary to satisfy the requirement.

10.ESCROW AGENT: Seller and **Buyer** authorize Escrow Agent or Closing Agent (collectively "Agent") to receive, deposit, and hold funds and other property in escrow and, subject to collection, disburse them in accordance with the terms of this Contract. The parties agree that Agent will not be liable to any person for misdelivery of escrowed items to **Seller** or **Buyer**, unless the misdelivery is due to Agent's willful breach of this Contract or gross negligence. If Agent has doubt as to Agent's duties or obligations under this Contract, Agent may, at Agent's option, (a) hold the escrowed items until the parties mutually agree to its disbursement or until a court of competent jurisdiction or arbitrator determines the rights of the parties or (b) deposit the escrowed items with the clerk of the court having jurisdiction over the matter and file an action in interpleader. Upon notifying the parties of such action, Agent will be released from all liability except for the duty to account for items previously delivered out of escrow. If Agent is a licensed real estate broker, Agent will comply with Chapter 475, Florida Statutes. In any suit in which Agent interpleads the escrowed items or is made a party because of acting as Agent hereunder, Agent will recover reasonable attorney's fees and costs incurred, with these amounts to be paid from and out of the escrowed items and charged and awarded as court costs in favor of the prevailing party.

11.CURE PERIOD: Prior to any claim for default being made, a party will have an opportunity to cure any alleged default. If a party fails to comply with any provision of this Contract, the other party will deliver written notice to the non-
* complying party specifying the non-compliance. The non-complying party will have____ days (5 days if left blank) after delivery of such notice to cure the non-compliance. Notice and cure shall not apply to failure to close.

12.RETURN OF DEPOSIT: Unless otherwise specified in the Contract, in the event any condition of this Contract is not met and **Buyer** has timely given any required notice regarding the condition having not been met, **Buyer's** deposit will be returned in accordance with applicable Florida Laws and regulations.

13.DEFAULT:

(a) In the event the sale is not closed due to any default or failure on the part of **Seller** other than failure to make the title marketable after diligent effort, **Buyer** may either (1) receive a refund of **Buyer's** deposit(s) or (2) seek specific performance. If **Buyer** elects a deposit refund, **Seller** will be liable to Broker for the full amount of the brokerage fee.

(b) In the event the sale is not closed due to any default or failure on the part of **Buyer**, **Seller** may either (1) retain all deposit(s) paid or agreed to be paid by **Buyer** as agreed upon liquidated damages, consideration for the execution of this Contract, and in full settlement of any claims, upon which this Contract will terminate or (2) seek specific performance. If **Seller** retains the deposit, **Seller** will pay the Brokers named in Paragraph 20 fifty percent of all forfeited deposits retained by **Seller** (to be split equally among the Brokers) up to the full amount of the brokerage fee. If **Buyer** fails to timely place a deposit as required by this Contract, **Seller** may either (1) terminate the Contract and seek the remedy outlined in this subparagraph or (2) proceed with the Contract without waiving any remedy for **Buyer's** default.

14. ATTORNEY'S FEES AND COSTS: In any claim or controversy arising out of or relating to this Contract, the prevailing party, which for purposes of this provision will include **Buyer**, **Seller** ~~and Broker~~, will be awarded reasonable attorneys' fees, costs, and expenses.

15.NOTICES: All notices will be in writing and may be delivered by mail, overnight courier, personal delivery, or electronic means. Parties agree to send all notices to addresses specified on the signature page(s). Any notice, document, or item given by or delivered to an attorney or real estate licensee (including a transaction broker) representing a party will be as effective as if given by or delivered to that party.

16.DISCLOSURES:

(a) Commercial Real Estate Sales Commission Lien Act: The Florida Commercial Real Estate Sales Commission Lien Act provides that a broker has a lien upon the owner's net proceeds from the sale of commercial real estate for any commission earned by the broker under a brokerage agreement. The lien upon the owner's net

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proceeds is a lien upon personal property which attaches to the owner's net proceeds and does not attach to any interest in real property. This lien right cannot be waived before the commission is earned.

(b) Special Assessment Liens Imposed by Public Body: The Property may be subject to unpaid special assessment lien(s) imposed by a public body. (A public body includes a Community Development District.) Such liens, if any, shall be paid as set forth in Paragraph 9(e).

(c) Radon Gas: Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit.

(d) Energy-Efficiency Rating Information: Buyer acknowledges receipt of the information brochure required by Section 553.996, Florida Statutes.

17. RISK OF LOSS:

(a) If, after the Effective Date and before closing, the Property is damaged by fire or other casualty, **Seller** will bear the risk of loss and **Buyer** may cancel this Contract without liability and the deposit(s) will be returned to **Buyer**. Alternatively, **Buyer** will have the option of purchasing the Property at the agreed upon purchase price and **Seller** will credit the deductible, if any and transfer to **Buyer** at closing any insurance proceeds, or **Seller's** claim to any insurance proceeds payable for the damage. **Seller** will cooperate with and assist **Buyer** in collecting any such proceeds. **Seller** shall not settle any insurance claim for damage caused by casualty without the consent of the **Buyer.**

(b) If, after the Effective Date and before closing, any part of the Property is taken in condemnation or under the right of eminent domain, or proceedings for such taking will be pending or threatened, **Buyer** may cancel this Contract without liability and the deposit(s) will be returned to **Buyer**. Alternatively, **Buyer** will have the option of purchasing what is left of the Property at the agreed upon purchase price and **Seller** will transfer to the **Buyer** at closing the proceeds of any award, or **Seller's** claim to any award payable for the taking. **Seller** will cooperate with and assist **Buyer** in collecting any such award.

* **18. ASSIGNABILITY; PERSONS BOUND:** This Contract may be assigned to a related entity, and otherwise ☐ is
* not assignable ☑ is assignable. If this Contract may be assigned, **Buyer** shall deliver a copy of the assignment agreement to the **Seller** at least 5 days prior to Closing. The terms **"Buyer," "Seller"** and "Broker" may be singular or plural. This Contract is binding upon **Buyer, Seller** and their heirs, personal representatives, successors and assigns (if assignment is permitted).

19. MISCELLANEOUS: The terms of this Contract constitute the entire agreement between **Buyer** and **Seller**. Modifications of this Contract will not be binding unless in writing, signed and delivered by the party to be bound. Signatures, initials, documents referenced in this Contract, counterparts and written modifications communicated electronically or on paper will be acceptable for all purposes, including delivery, and will be binding. Handwritten or typewritten terms inserted in or attached to this Contract prevail over preprinted terms. If any provision of this Contract is or becomes invalid or unenforceable, all remaining provisions will continue to be fully effective. This Contract will be construed under Florida law and will not be recorded in any public records.

20. BROKERS: Neither **Seller** nor **Buyer** has used the services of, or for any other reason owes compensation to, a licensed real estate Broker other than:

* **(a) Seller's Broker:** COLDWELL BANKER COMMERCIAL NRT (Company Name) GLORIA J. SPANJERS (Licensee)

* WINTER HAVEN, FL 863-206-4749 gloria@mycommercialteam.com
(Address, Telephone, Fax, E-mail)

* who ☐ is a single agent ☑ is a transaction broker ☐ has no brokerage relationship and who will be compensated
* by ☑ **Seller** ☐ **Buyer** ☐ both parties pursuant to ☑ a listing agreement ☐ other (specify) _____
*

* **Buyer** ( )( ) and **Seller** ( )( ) acknowledge receipt of a copy of this page, which is page 6 of 8 Pages.

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(b) **Buyer's Broker:** NONE
(Company Name) (Licensee)

(Address, Telephone, Fax, E-mail)

who ☐ is a single agent ☐ is a transaction broker ☐ has no brokerage relationship and who will be compensated by ☐ **Seller's Broker** ☐ **Seller** ☐ **Buyer** ☐ both parties pursuant to ☐ an MLS offer of compensation ☐ other (specify)

(collectively referred to as "Broker") in connection with any act relating to the Property, including but not limited to inquiries, introductions, consultations, and negotiations resulting in this transaction. **Seller** and **Buyer** agree to indemnify and hold Broker harmless from and against losses, damages, costs and expenses of any kind, including reasonable attorneys' fees at all levels, and from liability to any person, arising from (1) compensation claimed which is inconsistent with the representation in this Paragraph, (2) enforcement action to collect a brokerage fee pursuant to Paragraph 10, (3) any duty accepted by Broker at the request of **Seller** or **Buyer**, which is beyond the scope of services regulated by Chapter 475, Florida Statutes, as amended, or (4) recommendations of or services provided and expenses incurred by any third party whom Broker refers, recommends, or retains for or on behalf of **Seller** or **Buyer**.

21. OPTIONAL CLAUSES: (Check if any of the following clauses are applicable and are attached as an addendum to this Contract):

☐ Arbitration	☐ Seller Warranty	☐ Existing Mortgage
☐ Section 1031 Exchange	☐ Coastal Construction Control Line	☐ Buyer's Attorney Approval
☐ Property Inspection and Repair	☐ Flood Area Hazard Zone	☐ Seller's Attorney Approval
☐ Seller Representations	☐ Seller Financing	☐ Other _____

22. ADDITIONAL TERMS:

Para. 6.(a) is amended: Title search will be performed by City Attorney (attorney for Buyer) which will be paid for by Seller.

Earnest money deposit to be paid within 3 business days of Effective Date.

~~This contract is contingent upon approval of City Commission to be obtained prior to close of Due Diligence.~~

This is a cash offer by Buyer.

See Addendum attached hereto and incorporated by reference

THIS IS INTENDED TO BE A LEGALLY BINDING CONTRACT. IF NOT FULLY UNDERSTOOD, SEEK THE ADVICE OF AN ATTORNEY PRIOR TO SIGNING. BROKER ADVISES BUYER AND SELLER TO VERIFY ALL FACTS AND REPRESENTATIONS THAT ARE IMPORTANT TO THEM AND TO CONSULT AN APPROPRIATE PROFESSIONAL FOR LEGAL ADVICE (FOR EXAMPLE, INTERPRETING CONTRACTS, DETERMINING THE EFFECT OF LAWS ON THE PROPERTY AND TRANSACTION, STATUS OF TITLE, FOREIGN INVESTOR REPORTING REQUIREMENTS, ETC.) AND FOR TAX, PROPERTY CONDITION, ENVIRONMENTAL AND OTHER ADVICE. BUYER ACKNOWLEDGES THAT BROKER DOES NOT OCCUPY THE PROPERTY AND THAT ALL REPRESENTATIONS (ORAL, WRITTEN OR OTHERWISE) BY BROKER ARE BASED ON SELLER REPRESENTATIONS OR PUBLIC RECORDS UNLESS BROKER INDICATES PERSONAL VERIFICATION OF THE REPRESENTATION. BUYER AGREES TO RELY SOLELY ON SELLER, PROFESSIONAL INSPECTORS AND GOVERNMENTAL AGENCIES FOR VERIFICATION OF THE PROPERTY CONDITION, SQUARE FOOTAGE AND FACTS THAT MATERIALLY AFFECT PROPERTY VALUE.

Buyer ( )( ) and **Seller** (JS)(JS) acknowledge receipt of a copy of this page, which is page 7 of 8 Pages.

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Each person signing this Contract on behalf of a party that is a business entity represents and warrants to the other party that such signatory has full power and authority to enter into and perform this Contract in accordance with its terms and each person executing this Contract and other documents on behalf of such party has been duly authorized to do so.

* _____
(Signature of **Buyer**)

* City of Lake Alfred — Tax ID No: 85-8012621612C-2
(Typed or Printed Name of **Buyer**)

* Title: CITY MANAGER — Telephone: (863) 291-5270

* _____
(Signature of **Buyer**)

* _____ — Tax ID No: _____
(Typed or Printed Name of **Buyer**)

* Title: _____ — Telephone: _____

* **Buyer's** Address for purpose of notice: 120 E POMELO STREET, LAKE ALFRED, FL 33850-2197

* Facsimile: _____ — E-mail: _____

* Toni Schaller 6/24/16
(Signature of **Seller**)

* TONI SCHALLER — Tax ID No: _____
(Typed or Printed Name of **Seller**)

* Title: _____ — Telephone: (863) 206-5217

* Humberto Schaller
(Signature of **Seller**)

* J. HUMBERTO SCHALLER 6/24/16 — Tax ID No: _____
(Typed or Printed Name of **Seller**)

* Title: _____ — Telephone: _____

* **Seller's** Address for purpose of notice: 2659 21ST ST NW, WINTER HAVEN, FL 33881-1251

* Facsimile: _____ — E-mail: _____

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ADDENDUM TO COMMERICAL CONTRACT

A. The Buyer's obligation to close this transaction is contingent on all of the following matters being completed: 1) Approval by the City Commission of the City of Lake Alfred authorizing the purchase of the subject property in accordance with the terms of this Contract.

B. Effective Date is the date that this Contract is approved by the City Commission of the City of Lake Alfred.

C. Each party shall pay its own attorney's fees incurred in this matter.

D. Buyer and Seller may attempt to resolve any disputes through non-binding mediation. Mediation shall be conducted in Polk County, Florida, by a Mediator who is certified to conduct mediations pursuant to rules promulgated by the Chief Circuit Judge of the 10th Judicial Circuit, Polk County, Florida. Any mediation shall be conducted within 45 days of the date of any dispute. Each party shall bear their own costs in mediation and the Mediator shall be paid one-half by each party.

E. All real estate taxes prior to 2016 and all certified, confirmed, and ratified assessments which are a lien against the Property shall be satisfied of record by Seller at Closing. All current real estate taxes shall be pro-rated as of Closing. If a certified, confirmed, and ratified assessment is payable in installments, Seller will pay all installments due and payable on or before the Closing, with any installment for any period extending beyond the Closing Date prorated as of Closing. In the event Buyer acquires fee title to the Property between January 1 and November 1, Seller shall, in accordance with Section 196.295, Florida Statutes, place in escrow with the county tax collector an amount equal to the current taxes prorated to the date of Closing, based upon the current assessment and millage rates on the Property. In the event Buyer acquires fee title to the Property on or after November 1, Sellers shall pay, prorated to the day of Closing, to the county tax collector an amount equal to the taxes that are determined to be legally due and payable to the county tax collector. If an improvement is substantially completed as of the Closing Date that has not resulted in a lien before Closing, Seller will pay the amount of the last estimate of the assessment. This subsection applies to special assessment liens imposed by a public body and does not apply to condominium association special assessments.

Buyer (_____)(_____) and Seller (_____)

APPRAISAL REPORT
REAL ESTATE APPRAISAL

Of
Buchanan Shinn Boulevard Commercial Land

XXX Shinn Blvd, Lake Alfred
Polk County
FL, 33850

As of
May 23, 2016

Prepared For
Ms. Valerie Ferrell
City of Lake Alfred - Community Development
120 E. Pomelo Street
Lake Alfred, FL, 33850

Prepared by
A.R.E.A. REAL ESTATE APPRAISERS, INC.
Oswald P. Carrerou, SRA
James (Jim) R. Pruitt, Jr.

A.R.E.A. File #:
16050018

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Oswald P. Carrerou, SRA, President (State-Certified General Real Estate Appraiser RZ271)
James R. Pruitt, Jr., Comm. Dept. Manager (State-Certified General Real Estate Appraiser RZ2543)
Kevin L. Williams, Senior Associate (State-Certified General Real Estate Appraiser RZ2630)
C. Michael Seney, MAI, Senior Associate (State-Certified General Real Estate Appraiser RZ2558)
James C. Moxley, MAI, Senior Associate (State-Certified General Real Estate Appraiser RZ2769)

June 3, 2016

Ms. Valerie Ferrell
City of Lake Alfred - Community Development
120 E. Pomelo Street
Lake Alfred, FL 33850

Re: Real Estate Appraisal Report
Buchanan Shinn Boulevard Commercial Land
XXX Shinn Blvd, Lake Alfred,
Polk County, FL, 33850

A.R.E.A. File #: 16050018

Dear Ms. Ferrell:

At your request, we have prepared an appraisal for the above referenced property. The subject site is a 0.28 acre parcel of commercial land located in Lake Alfred, with limited access.

Please reference the Scope of Work section of this report for important information regarding the scope of research and analysis for this appraisal, including property identification, inspection, highest and best use analysis and valuation methodology.

This appraisal is prepared for Ms. Valerie Ferrell, Director, City of Lake Alfred - Community Development. The problem to be solved is to estimate the current 'As Is' market value. The intended use is for potential purchase by the client. This appraisal is intended for the use of City of Lake Alfred - Community Development. City of Lake Alfred - Community Development may provide only complete, final copies of the appraisal report in its entirety (but not component parts) to whom they deem appropriate. The appraisers are not required to explain or testify as to appraisal results other than to respond to the client for routine and customary questions. We certify that we have no present or contemplated future interest in the property beyond this estimate of value. The appraiser has not performed any prior services regarding the subject within the previous three years of the appraisal date.

Your attention is directed to the Limiting Conditions and Assumptions section of this report. Acceptance of this report constitutes an agreement with these conditions and assumptions. In particular, we note the following:

Extraordinary Assumptions:

- A survey of the property was not provided to the appraiser. The figures utilized for the subject site were obtained from information provided by the local property appraiser's office as well as various GIS sources. The figures are assumed to be accurate. If the figures are found to be significantly different than those used in this appraisal, the value opinions could be affected.

Hypothetical Conditions:

- There are no hypothetical conditions for this appraisal.

Based on the appraisal described in the accompanying report, subject to the Limiting Conditions and Assumptions, Extraordinary Assumptions and Hypothetical Conditions (if any), we have made the following value conclusion(s):

Current As Is Market Value:
The "As Is" market value of the Fee Simple estate of the property, as of May 23, 2016, is:

Thirty Six Thousand Five Hundred Dollars ($36,500)

The market exposure time preceding May 23, 2016 would have been 9 months and the estimated marketing period as of May 23, 2016 is 9 months.

Respectfully submitted,
A.R.E.A. Real Estate Appraisers, Inc.

Oswald P. Carrerou, SRA
President
State-Certified General Real Estate Appraiser RZ271

James (Jim) R. Pruitt, Jr.
Comm. Department Manager
State-Certified General Real Estate Appraiser RZ2543

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Engagement Letter
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Summary of Important Facts and Conclusions

Subject Property:	Buchanan Shinn Boulevard Commercial Land XXX Shinn Blvd, Lake Alfred, Polk County, FL, 33850
Owner of Record:	James C. Buchanan
Location Description:	The subject site is located on Shinn Boulevard, which is the southbound lanes for US Highway 17-92, in the commercial district of Lake Alfred, Florida.
Property Type:	Land - Commercial
Report Type:	Appraisal Report
Interest Appraised:	Fee Simple Interest
Report Date:	June 3, 2016
Value Date:	May 23, 2016 – As Is
Date of Viewing:	May 23, 2016
Highest & Best Use As Vacant:	Assemblage with an adjacent parcel.
Zoning Designation:	C-2, Retail Commercial District (City of Lake Alfred)
Legal Description:	See parcel ID#
Tax ID/APN:	262732-502000-000081
Land Size (Square Feet; Acres)	12,197 / 0.28

VALUE INDICATIONS	
Land Value:	$36,500

Reconciled Value(s):	**As Is**
Value Conclusion(s)	$36,500
Effective Date(s)	May 23, 2016
Property Rights	Fee Simple

Subject Property Sales/Listing History

Current Owner:	James C. Buchanan
Current Listing Price:	N/A
Pending Sales Price:	N/A
Proposed Buyer:	N/A
Prior Sale/Listing:	The subject property is not currently listed for sale.

The subject is not under a pending contract for purchase. There have been no sales or listings of the subject property in the past five years, other than those stated above. The subject has been offered to the City of Lake Wales by the current owner, who recently sold a parcel to the north to the City. To the appraiser's knowledge, no price has been discussed.

Unless otherwise stated, the appraisers have not reviewed an abstract of title relating to the subject property. No title search has been made, and the reader should consult an attorney or title company for information and data relative to the property ownership and legal description. It is assumed that the subject title is marketable, but the title should be reviewed by legal counsel. Any information given by the appraiser as to a sales history is information that the appraiser has researched; to the best of our knowledge, this information is accurate, but not warranted.

Definitions

Market Value
Department of the Treasury, Office of Comptroller of the Currency, Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, Office of Thrift Supervision and National Credit Union Administration under 12 CFR Part 34, Real Estate Appraisals and Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 ("FIRREA"); and the Interagency Appraisal and Evaluation Guidelines, Federal Register, Volume 75, No. 237, December 10, 2010.

"Market Value," as used in this report, is defined as:

> … the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:
>
> Buyer and Seller are typically motivated;
>
> Both parties are well informed or well advised, and acting in what they consider their own best interests;
>
> A reasonable time is allowed for exposure in the open market;
>
> Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
>
> The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

A **Fee Simple** estate is defined as:

> 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.

A **Leased Fee** interest is defined as:

> A freehold (ownership interest) where the possessory interest has been granted to another party by the creation of a contractual landlord-tenant relationship (i.e., a lease).

Marketing Time is defined as:

> An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of the appraisal.
>
> Marketing time differs from exposure time, which is always presumed to precede the effective date of the appraisal.
>
> Advisory Opinion 7 of the Appraisal Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time.

Exposure Time is defined as:

1. The time a property remains on the market.

2. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market.

See Marketing Time, above.

As Is Market Value
The estimate of the market value of the real property in its current physical condition, use and zoning as of the appraisal date.

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

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

Extraordinary Assumption

An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions. 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 or trends; or about the integrity of data used in an analysis. An extraordinary assumption may be used in an assignment only if:

- It is required to properly develop credible opinions and conclusions;
- The appraiser has a reasonable basis for the extraordinary assumption;
- Use of the extraordinary assumption results in a credible analysis; and
- The appraiser complies with the disclosure requirements set forth in USPAP for extraordinary assumptions.

Hypothetical Condition

A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. A hypothetical condition may be used in an assignment only if:

- Use of the hypothetical condition is clearly required for legal purposes, for purposes of reasonable analysis, or for purposes of comparison;
- Use of the hypothetical condition results in a credible analysis; and
- The appraiser complies with the disclosure requirements set forth in USPAP for hypothetical conditions.

Certification Statement

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

- The statements of fact contained in this appraisal, upon which the analyses, opinions and conclusions expressed in the report are based, are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions and conclusions.
- We have no present or prospective interest in the property which is the subject of this report nor any personal interest or bias with respect to the subject matter of this report nor the parties involved.
- We have no bias with respect to the property that is the subject of this report, or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for this appraisal work 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. The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or approval of a loan.
- Our analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- No one other than the undersigned, provided significant professional assistance in preparing the analyses, conclusions and opinions concerning the real estate set forth in this appraisal.
- We certify sufficient competence to appraise this property through education and experience, in addition to the internal resources of the appraisal firm.
- ***The appraiser has not performed any prior services regarding the subject within the previous three years of the appraisal date.***
- James (Jim) R. Pruitt, Jr. has personally viewed the property which is the subject of this report on May 23, 2016. Oswald P. Carrerou was directly involved in the formulations of value conclusions in this appraisal assignment, and participated in a technical review capacity. We hereby attest that we have attained a level of competency necessary to complete the assignment in a diligent manner, utilizing all of the commonly recognized analysis techniques considered normal for a prudent evaluation effort. The readers are referred to the appraiser qualifications contained in the Addenda of this report for further confirmation of adequate technical training.
- The analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice (USPAP) as well as in accordance with Title XI of FIRREA and with regulations adopted by the OCC pursuant to FIRREA.
- 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, Oswald P. Carrerou, SRA has completed the continuing education program for the Appraisal Institute.

Oswald P. Carrerou, SRA
State-Certified General Real Estate Appraiser-RZ271

James (Jim) R. Pruitt, Jr.
State-Certified General Real Estate Appraiser RZ2543

Limiting Conditions and Assumptions

Acceptance of and/or use of this report constitutes acceptance of the following limiting conditions and assumptions; these can only be modified by written documents executed by both parties.

This appraisal is to be used only for the purpose stated herein. While distribution of this appraisal in its entirety is at the discretion of the client, individual sections shall not be distributed; this report is intended to be used in whole and not in part.

No part of this appraisal, its value estimates or the identity of the firm or the appraiser(s) may be communicated to the public through advertising, public relations, media sales, or other media.

All files, work papers and documents developed in connection with this assignment are the property of Name Information, estimates and opinions are verified where possible, but cannot be guaranteed. Plans provided are intended to assist the client in visualizing the property; no other use of these plans is intended or permitted.

No hidden or unapparent conditions of the property, subsoil or structure, which would make the property more or less valuable, were discovered by the appraiser(s) or made known to the appraiser(s). No responsibility is assumed for such conditions or engineering necessary to discover them. Unless otherwise stated, this appraisal assumes there is no existence of hazardous materials or conditions, in any form, on or near the subject property.

Unless stated herein, the property is assumed to be outside of areas where flood hazard insurance is mandatory. Maps used by public and private agencies to determine these areas are limited with respect to accuracy. Due diligence has been exercised in interpreting these maps, but no responsibility is assumed for misinterpretation.

Good title, free of liens, encumbrances and special assessments is assumed. No responsibility is assumed for matters of a legal nature.

Necessary licenses, permits, consents, legislative or administrative authority from any local, state or Federal government or private entity are assumed to be in place or reasonably obtainable.

It is assumed there are no zoning violations, encroachments, easements or other restrictions which would affect the subject property, unless otherwise stated.

The appraiser(s) are not required to give testimony in Court in connection with this appraisal. If the appraisers are subpoenaed pursuant to a court order, the client agrees to pay the appraiser(s) our regular per diem rate plus expenses.

Appraisals are based on the data available at the time the assignment is completed. Amendments/modifications to appraisals based on new information made available <u>after</u> the appraisal was completed will be made, as soon as reasonably possible, for an additional fee.

Americans with Disabilities Act (ADA) of 1990

A civil rights act passed by Congress guaranteeing individuals with disabilities equal opportunity in public accommodations, employment, transportation, government services, and telecommunications. Statutory deadlines become effective on various dates between 1990 and 1997. A.R.E.A. Real Estate Appraisers, Inc. has not made a determination regarding the subject's ADA compliance or non-compliance**. Non-compliance could have a negative impact on value, however this has not been considered or analyzed in this appraisal**.

Scope of Work

According to the Uniform Standards of Professional Appraisal Practice, it is the appraiser's responsibility to develop and report a scope of work that results in credible results that are appropriate for the appraisal problem and intended user(s). Therefore, the appraiser must identify and consider:

- the client and intended users;
- the intended use of the report;
- the type and definition of value;
- the effective date of value;
- assignment conditions;
- typical client expectations; and
- typical appraisal work by peers for similar assignments.

This appraisal is prepared for Ms. Valerie Ferrell, Director, City of Lake Alfred - Community Development. The problem to be solved is to estimate the current 'As Is' market value. The intended use is for potential purchase by the client. This appraisal is intended for the use of City of Lake Alfred - Community Development.

SCOPE OF WORK	
Report Type:	This is an Appraisal Report as defined by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2(a). This format provides a summary or description of the appraisal process, subject and market data and valuation analyses.
Property Identification:	The subject has been identified by the assessors' parcel number.
Inspection:	The appraiser has viewed the site and photographs have been taken.
Market Area and Analysis of Market Conditions:	A Level B analysis of market conditions has been made.
Highest and Best Use Analysis:	An as vacant highest and best use analysis for the subject has been made. Physically possible, legally permissible and financially feasible uses were considered, and the maximally productive use was concluded.
Type of Value:	Market Value

Valuation Analyses

Cost Approach:	A cost approach was not applied as the subject consists of vacant land and the cost approach is not applicable.
Sales Comparison Approach:	A sales approach was applied as there is adequate data to develop a value opinion and this approach reflects market behavior for this property type.
Income Approach:	An income approach was not applied as there is inadequate market data to develop a value opinion for this approach.

Extraordinary Assumptions:

- A survey of the property was not provided to the appraiser. The figures utilized for the subject site were obtained from information provided by the local property appraiser's office as well as various GIS sources. The figures are assumed to be accurate. If the figures are found to be significantly different than those used in this appraisal, the value opinions could be affected.

Hypothetical Conditions:

- There are no hypothetical conditions for this appraisal.

Summary of Scope:

The subject site is a 0.28 acre parcel of commercial land located in Lake Alfred, with limited access. In the appraisal of vacant land, the Sales Comparison Approach is the only applicable approach to value.

Market Area Analysis

Area Description & Boundaries

The neighborhood boundaries extend from Haines Boulevard to Echo Street on a north south axis and from South Seminole Boulevard to South Shinn Boulevard on an east west axis. The subject is in an established downtown commercial location in the small community of Lake Alfred between Winter Haven and Haines City. Lake Alfred is located along US Highway 17/92 which is a main southwest to northeast arterial through the state of Florida providing access to Lakeland and Tampa to the south and west as well as Kissimmee and Orlando to the north and east. There is a mixture of commercial and light industrial uses including retail, offices, restaurants, and automotive. Residential development is located on secondary roadways off of US Highway 17/92.

Area & Property Use Characteristics

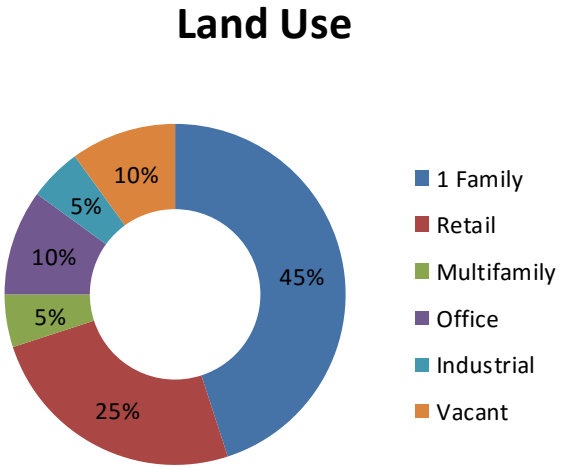
							Up	Stbl	Dn
Location		Urban	X	Suburban		Rural	Population Trend		X	
Build Up		X Over 75%		25% to 75%		Under 25%	Employment Trend		X	
Built Up	Fully Dev.	Rapid	X	Steady		Slow	Personal Income Level		X	
Property Values		Increasing	X	Stable		Declining	Retail Sales		X	
Demand/Supply		Shortage	X	In Balance		Over Supply	New Construction		X	
Vacancy Trend		Increasing	X	Stable		Declining	Vacancy Trend		X	
Change in Economic Base		Likely	X	Unlikely		Taking Place	Rental Demand		X	

Land Use Trends

Present Land Use		Supply/Demand Under	In Bal.	Over	Vacancy
45%	1 Family		X		10%
25%	Retail		X		10%
5%	Multifamily		X		10%
10%	Office		X		10%
5%	Industrial		X		10%
10%	Vacant		X		
100%					

Change in Land Use

Likely	
Not Likely	X
Taking Place	



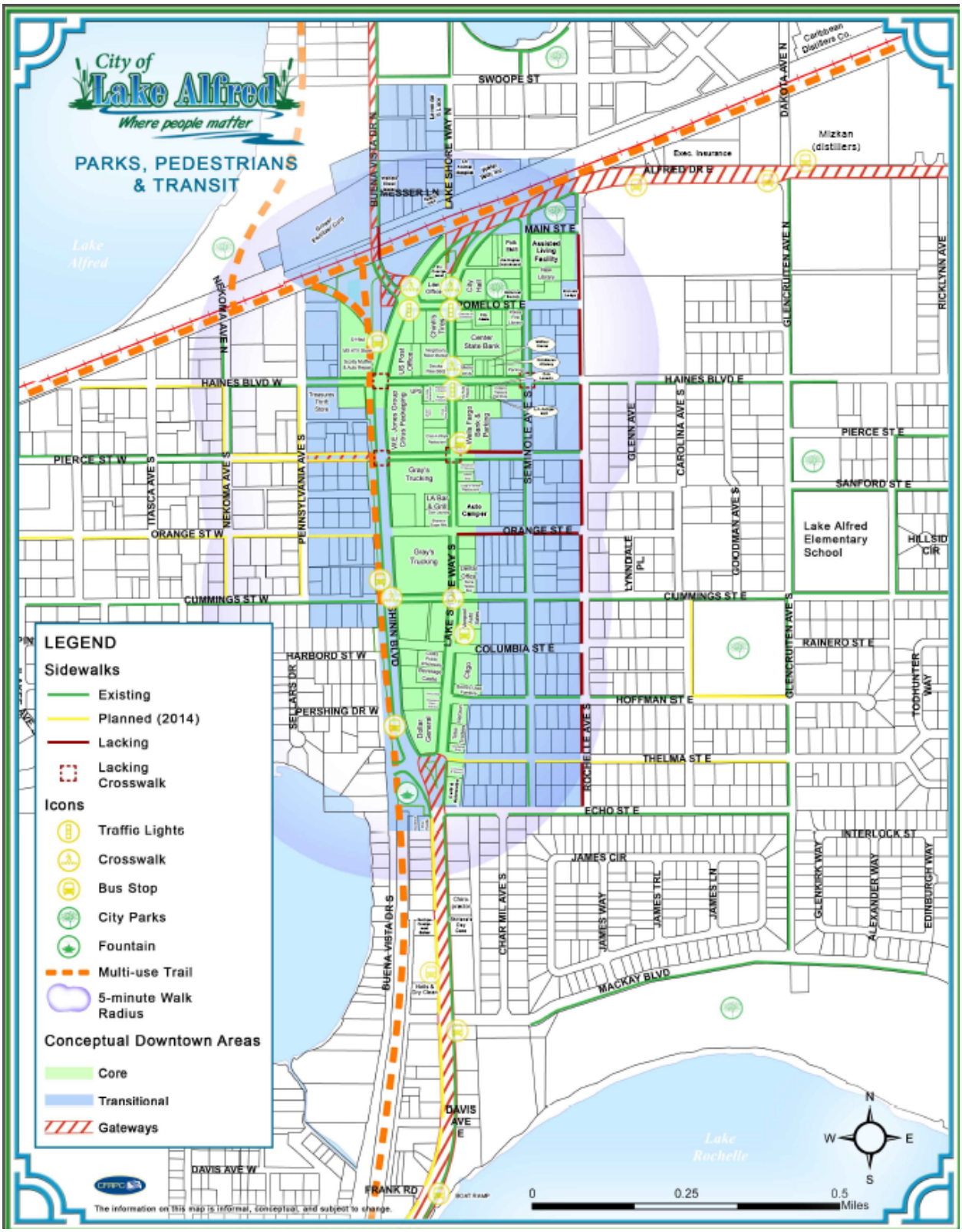
Land uses in the neighborhood consist primarily of retail uses along US Highway 17-92, with scattered office and industrial uses as well. Residential dwellings are located off of the main traffic arteries with good access

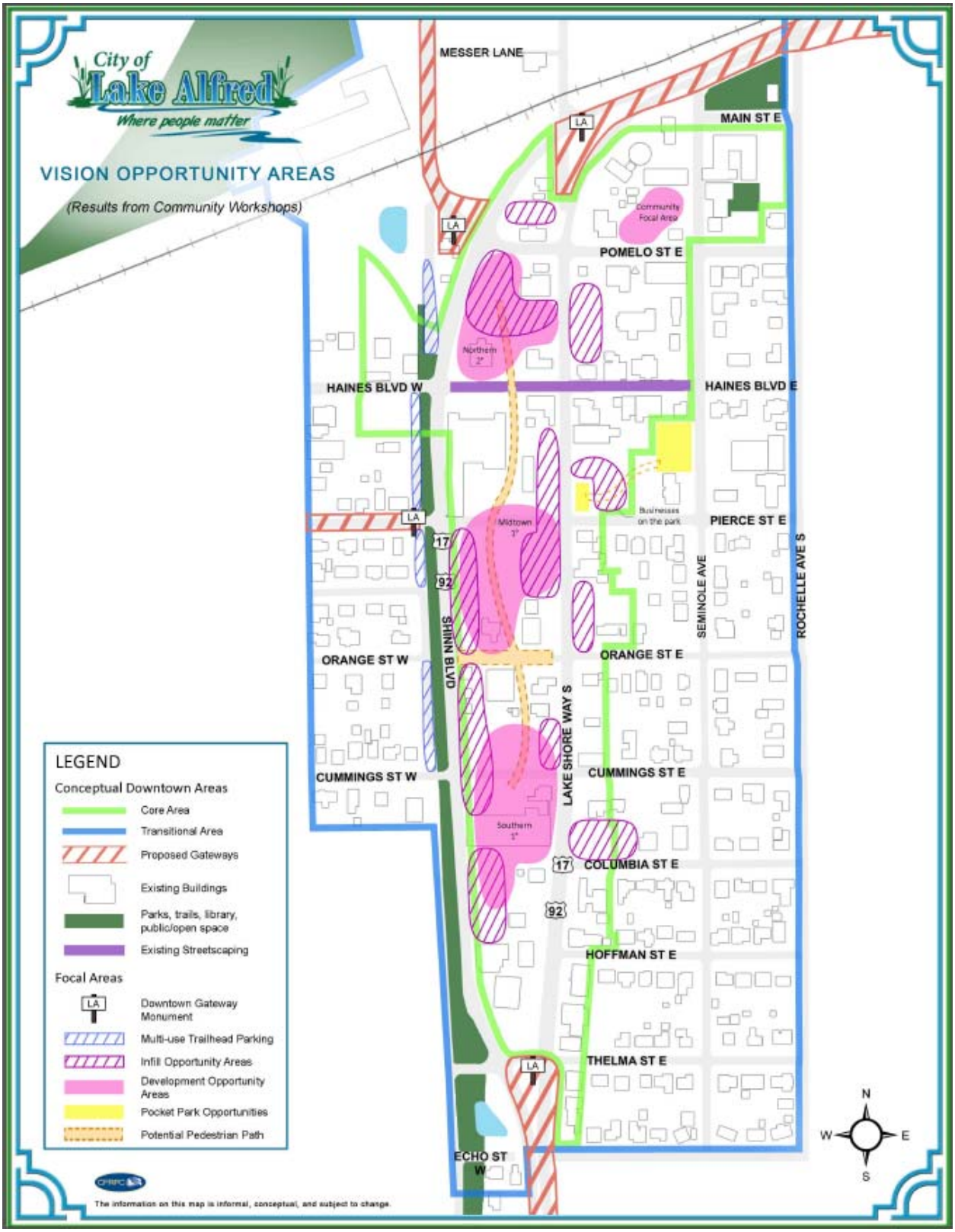
Age Range for Subject Property Type 1920 to 2014

Adjacent Property Use

Adjacent property uses include vacant commercial to the north and south, retail to the east, and residential to the

The City of Lake Alfred is currently engaged in a “Downtown Visioning” concept for redevelopment of the primary traffic corridor (US Highway 17/92). By utilizing community workshops, the city has identified the “core” downtown areas as the properties located between the north and south bound lanes of US Highway 17/92, from Main Street at the north, south to Echo Street, and also extending one parcel to one block east of the northbound lane of US Highway 17/92. Several of these properties have been identified by the City as Development Opportunity Areas, with these properties being primarily industrial in nature. Based on responses from the community workshops, a larger percentage of the respondents would like to see redevelopment of the core area as part of the downtown vision. The exhibits on the follow pages have been obtained from the City of Lake Alfred’s Downtown Visioning website, and depict a work-in-progress vision of the resident’s desires.


City of Lake Alfred
Where people matter
PARKS, PEDESTRIANS & TRANSIT
LEGEND
Sidewalks
Existing
Planned (2014)
Lacking
Lacking Crosswalk
Icons
Traffic Lights
Crosswalk
Bus Stop
City Parks
Fountain
Multi-use Trail
5-minute Walk Radius
Conceptual Downtown Areas
Core
Transitional
Gateways
SWOOPE ST
ALFRED DR E
MAIN ST E
POMELO ST E
HAINES BLVD W
HAINES BLVD E
PIERCE ST W
PIERCE ST E
SANFORD ST E
ORANGE ST W
ORANGE ST E
CUMMINGS ST W
CUMMINGS ST E
HARBORD ST W
COLUMBIA ST E
RAINERO ST E
HOFFMAN ST E
THELMA ST E
ECHO ST E
INTERLOCK ST
JAMES CIR
MACKAY BLVD
DAVIS AVE W
DAVIS AVE E
FRANK RD
Lake Alfred Elementary School
Mizkan (distillers)
Caribbean Distillers Co.
Exec. Insurance
Lake Alfred
Lake Rochelle
N
S
E
W
0
0.25
0.5
Miles
The information on this map is informal, conceptual, and subject to change.


City of Lake Alfred
Where people matter
VISION OPPORTUNITY AREAS
(Results from Community Workshops)
MESSER LANE
MAIN ST E
POMELO ST E
HAINES BLVD W
HAINES BLVD E
PIERCE ST E
SEMINOLE AVE
ROCHELLE AVE S
ORANGE ST W
ORANGE ST E
SHINN BLVD
LAKE SHORE WAY S
CUMMINGS ST W
CUMMINGS ST E
COLUMBIA ST E
HOFFMAN ST E
THELMA ST E
ECHO ST W
LEGEND
Conceptual Downtown Areas
Core Area
Transitional Area
Proposed Gateways
Existing Buildings
Parks, trails, library, public/open space
Existing Streetscaping
Focal Areas
Downtown Gateway Monument
Multi-use Trailhead Parking
Infill Opportunity Areas
Development Opportunity Areas
Pocket Park Opportunities
Potential Pedestrian Path
The information on this map is informal, conceptual, and subject to change.
N
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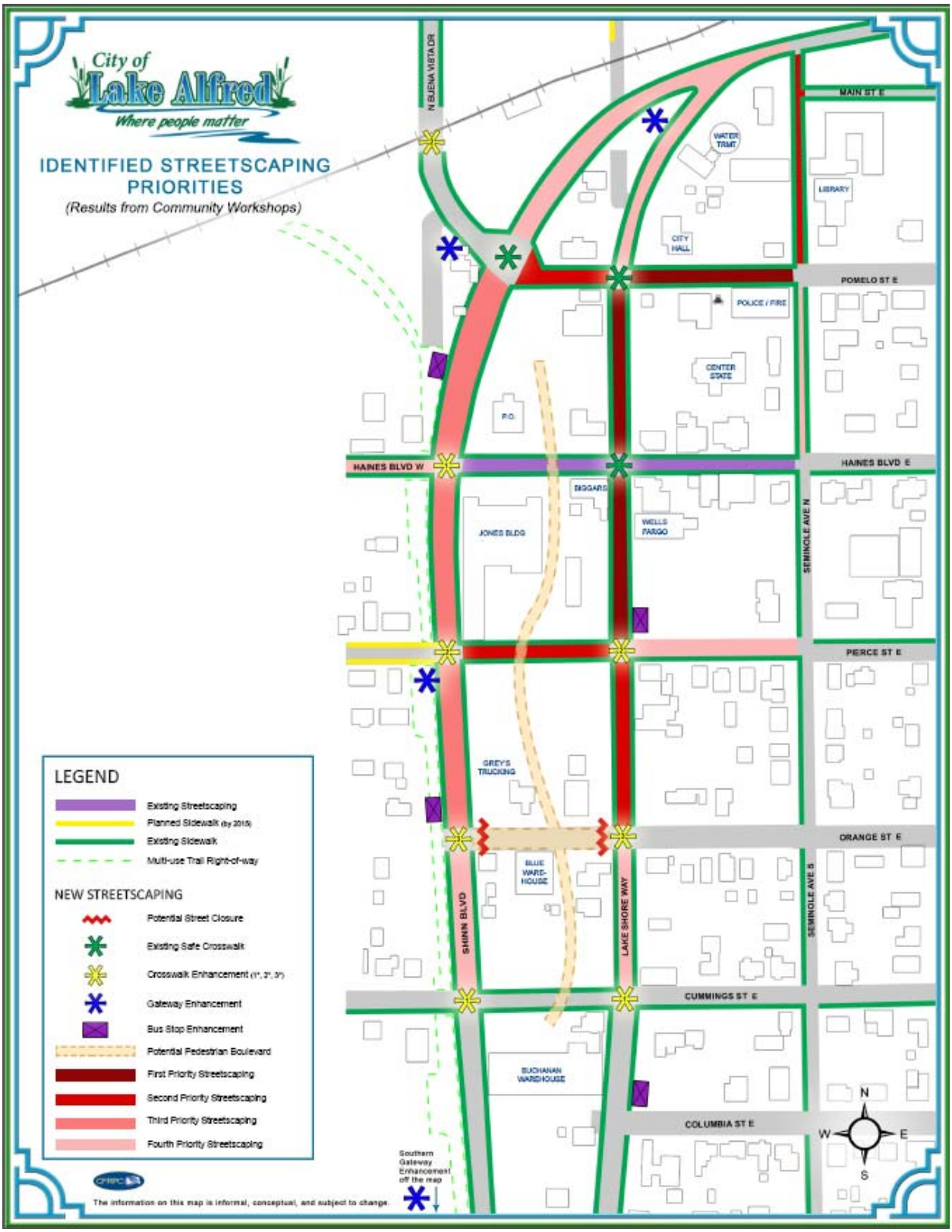
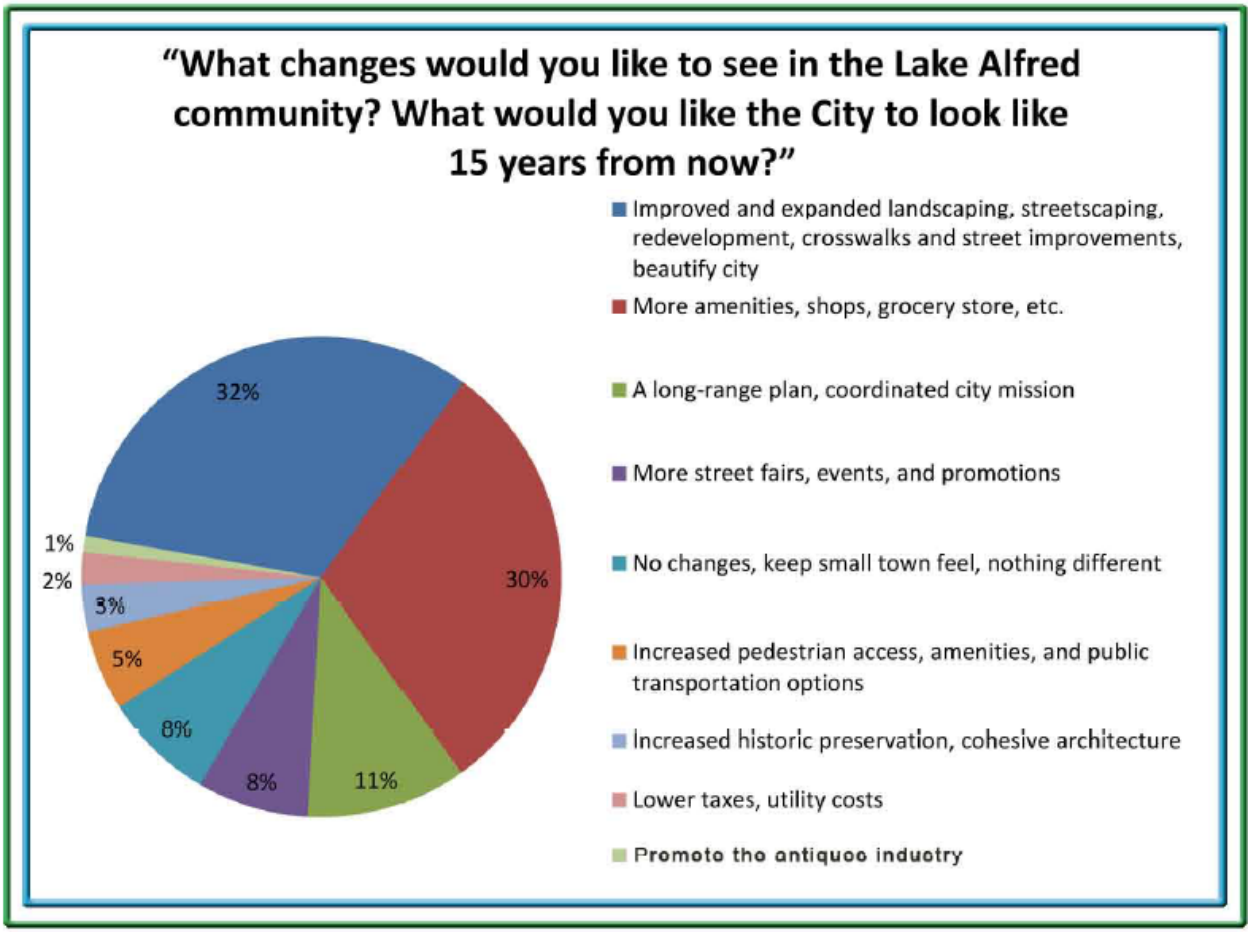
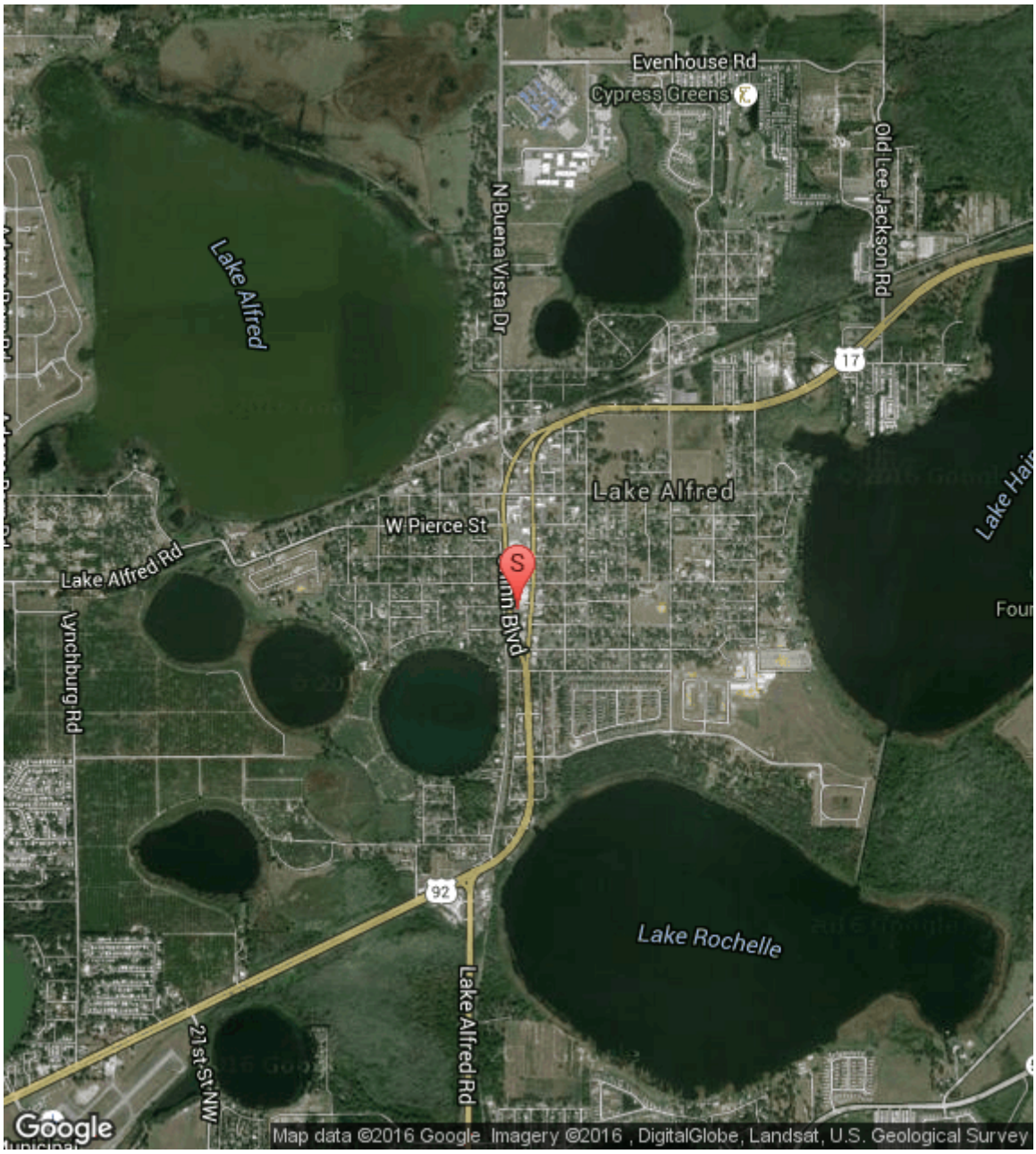

City of Lake Alfred
Where people matter
IDENTIFIED STREETSCAPING PRIORITIES
(Results from Community Workshops)
N BUENA VISTA DR
MAIN ST E
WATER TRMT
LIBRARY
CITY HALL
POMELO ST E
POLICE / FIRE
CENTER STATE
P.O.
HAINES BLVD W
HAINES BLVD E
BIGGARS
JONES BLDG
WELLS FARGO
SEMINOLE AVE N
PERCE ST E
GREY'S TRUCKING
ORANGE ST E
BLUE WARE-HOUSE
SHINN BLVD
LAKE SHORE WAY
SEMINOLE AVE S
CUMMINGS ST E
BUCHANAN WAREHOUSE
COLUMBIA ST E
N
W
E
S
LEGEND
Existing Streetscaping
Planned Sidewalk (by 2015)
Existing Sidewalk
Multi-use Trail Right-of-way
NEW STREETSCAPING
Potential Street Closure
Existing Safe Crosswalk
Crosswalk Enhancement (1st, 2nd, 3rd)
Gateway Enhancement
Bus Stop Enhancement
Potential Pedestrian Boulevard
First Priority Streetscaping
Second Priority Streetscaping
Third Priority Streetscaping
Fourth Priority Streetscaping
Southern Gateway Enhancement off the map
The information on this map is informal, conceptual, and subject to change.


"What changes would you like to see in the Lake Alfred community? What would you like the City to look like 15 years from now?"
32%
30%
11%
8%
8%
5%
3%
2%
1%
Improved and expanded landscaping, streetscaping, redevelopment, crosswalks and street improvements, beautify city
More amenities, shops, grocery store, etc.
A long-range plan, coordinated city mission
More street fairs, events, and promotions
No changes, keep small town feel, nothing different
Increased pedestrian access, amenities, and public transportation options
Increased historic preservation, cohesive architecture
Lower taxes, utility costs
Promote the antiques industry

Location Map



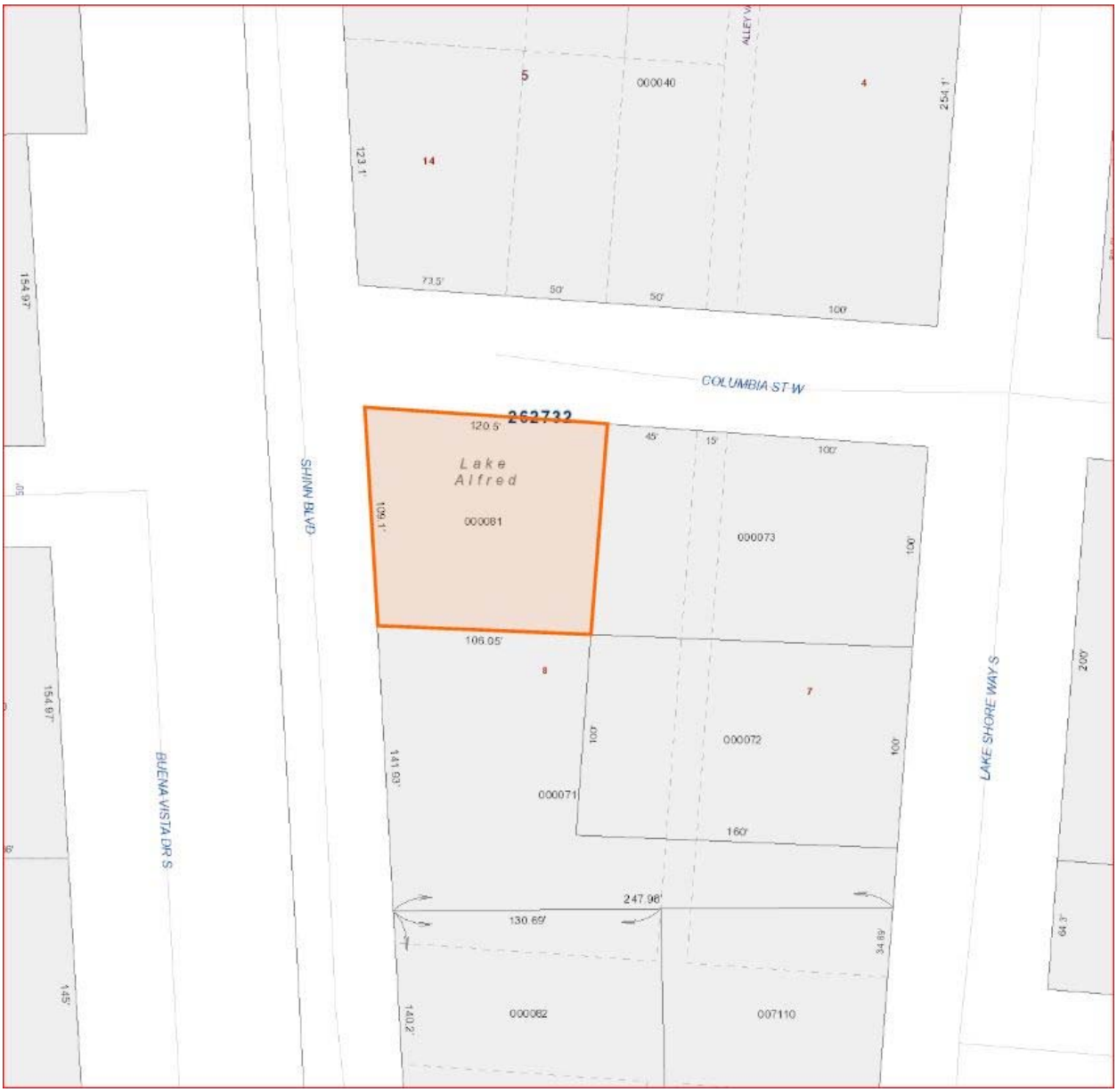
Property Description

The subject site is a 0.28 acre parcel of commercial land located in Lake Alfred, with limited access.

General Site Information		
Address	Buchanan Shinn Boulevard Commercial Land, XXX Shinn Blvd, Lake Alfred, Polk County, FL, 33850	
Current Owner	According to the Polk County Property Assessor's Office, the current owner of record is James C. Buchanan.	
Assessor's Parcel Number	262732-502000-000081	
Physical Characteristics of the Site		
General Location	The subject site is located on Shinn Boulevard, which is the southbound lanes for US Highway 17-92, in the commercial district of Lake Alfred, Florida.	
Frontage/Access	The subject property has poor access with frontage as follows: • Shinn Boulevard (US Highway 17-92 South): 109 feet • Columbia Street West: 113 feet The site has an average depth of 113 feet. It is a corner lot.	
Site Size	*Total:* 0.28 acres; 12,197 square feet *Usable:* 0.28 acres; 12,197 square feet The entire subject site is usable.	
Shape of Tract	The site is roughly rectangular.	
Topography	The subject has level topography at grade and no areas of wetlands.	
Easements	There are no known adverse encumbrances or easements. Please reference Limiting Conditions and Assumptions.	
Utilities to Site	Water	Public water
	Sewer	Public sewer
	Electric	The site is served by public electricity.
	Natural Gas	None
	Underground Utilities	The site is not serviced by underground utilities.
	Adequacy	The subject's utilities are typical and adequate for the market area.
Curbs and Gutters	Yes	
Sidewalks	Yes	
Flood Designation	The subject is located in an area mapped by the Federal Emergency Management Agency (FEMA). The subject is located in FEMA flood zone X, which is not classified as a flood hazard area. FEMA Map Number: 12105C0355F FEMA Map Date: December 20, 2000 The subject is outside the 500 year flood plain. The appraiser is not an expert in this matter and is reporting data from FEMA maps.	

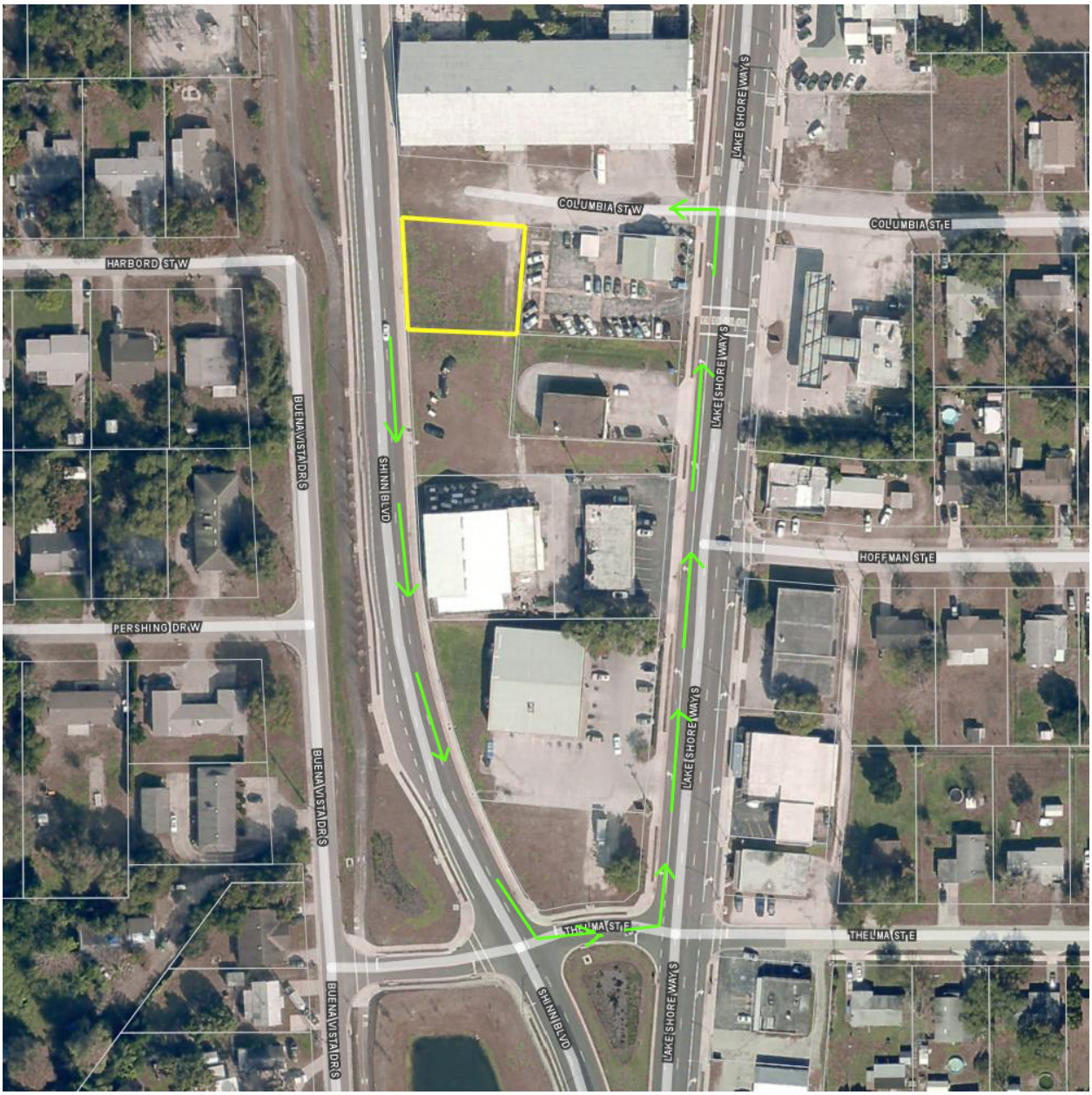
Wetlands/Watershed	No wetlands were observed during our site inspection, which was verified with published data sources.
Soil Conditions	The soil conditions observed at the subject appear to be typical of the region and adequate to support development.
Economic Factors Affecting the Site	
Census Tract	129
Zoning/Land Use	The property has a Zoning/Land Use designation of C-2**,** Retail Commercial District by City of Lake Alfred.
Overall Site Analysis	The subject property contains 0.28 acres of commercial land, located on Shinn Boulevard, in the downtown district of Lake Alfred. Shinn Boulevard is the southbound traffic lanes of US Highway 17-92, which is separated by a city block through this corridor. The site has good visibility from Shinn Boulevard; however it has no access due to the lack of a curb cut. West Columbia Street is located along the north property line, but this road is only partially improved from the northbound US Highway 17-92 lanes (S. Lakeshore Way), and the paving ends at the northeast corner of the subject site. Although West Columbia Street is platted all the way to Shinn Boulevard, there is no DOT curb cut on Shinn Boulevard for access, even as an unpaved roadway. In order to access the subject property, a visitor driving north on S. Lakeshore Boulevard must turn left onto West Columbia Street and drive 160 west to the subject property. Due to existing building structures along S. Lakeshore Way, potential subject improvements would have limited visibility, if any, from S. Lakeshore Way, and a visitor would most likely have to know their destination. To access the subject site traveling southbound on Shinn Boulevard, a driver must pass the site, drive 600 feet to Thelma Street, turn left (east) on Thelma Street, turn left (north) onto S. Lakeshore Way, and then drive 650 feet to West Columbia Street. Access to the site is considered to be poor.

Plat Map


COLUMBIA ST W
SHINN BLVD
BUENA VISTA DR S
LAKE SHORE WAY S
262732
Lake Alfred
000081
000073
000072
000071
000082
007110
000040
5
4
14
8
7
120.5'
45'
15'
100'
109.1'
106.05'
141.93'
160'
247.98'
130.69'
34.69'
140.2'
123.1'
73.5'
50'
254.1'
154.97'
145'
200'

Aerial Map

Aerial Map – Showing U-Turn for Southbound Traffic



Flood Map

Subject Photographs

View of Site from Shinn Boulevard

View of Site from W. Columbia Street Terminus

Shinn Boulevard – Looking North at W. Columbia Street

Shinn Boulevard – Looking South at W. Columbia Street

W. Columbia Street – From S. Lakeshore Boulevard

S. Lakeshore Boulevard – Looking South from W. Columbia Street

Assessment and Taxes

The County Property Appraiser assesses all property within the county. The typical taxing jurisdictions include the county, city, and school district within which a property is located. The total ad valorem tax burden for real estate is the sum of the assessments from the various taxing authorities. The cited tax amount is entitled to a 4% reduction if paid in November; the discount then reduces 1% per month until March when the total tax becomes due and payable.

The appraised property is located in Polk County, which has a 2015 tax rate of $22.2398 per $1,000 of assessed value. The assessment information for the subject property is outlined as follows:

Real Estate Assessment and Taxes								
Tax ID	Land	Improvements	Other	Total Assessment	Taxable Value	Tax Rate	Special Assessmen	Taxes
262732-502000-000081	$8,450	$0	$0	$8,450	$8,450	$22.2398	$0	$187.93
Totals	***$8,450***	***$0***	***$0***	***$8,450***	***$8,450***		***$0***	***$187.93***

Comments

According to the Polk County Tax Collector's website, there are no delinquent taxes on this property.

Zoning/Land Use

ZONING/LAND USE	
City of Lake Alfred	
C-2, Retail Commercial District	
Purpose of the District:	The purpose of this district is to provide areas for development of uses of land for all legal retail product sales, and services normally located in a central business area. It is intended to include all uses expressly permitted and those implied that are conducive to commercial center development, but to exclude the normal industrial warehousing, storage and such uses that do not blend with and add to the business activities of retailing of goods and services.
Allowable Uses:	Horticulture with wholesale or retail sales, Apartment building, Duplex(2 units), Dwelling unit in commercial, Garage apartment, Residential Cluster Development, Small Lot Subdivision, Townhouse, Child Care Facility, Adult Day Care Center, Assisted Living Facility, Foster Care Facility, Group Home Facility, Hospice Residential Unit, Bed & breakfast, Adult Entertainment Facility, Appliance repair, Barber shops, Beauty shops, Convenience store, Convenience store with gasoline sales, Funeral homes, Indoor amusement enterprise, Mini-warehouse, Minor automotive repairs, Personal Services, Recycling center (indoor), Retail Sales â€" general, Restaurant, Sale of alcoholic beverages, Theaters, Bank, Clinic, Hospital, Medical laboratory, Professional office, Real estate/business office, Veterinary clinics, Power substation, Sewer lift station, Telephone switching station, Museum, Park, Clubs, private

Highest and Best Use

The value of real property is, of course, directly related to the use to which it can be put. It follows that a particular parcel may have several different value levels under alternative uses. Accordingly, the property appraised herein is appraised under its Highest and Best Use. According to the Appraisal Institute, the Highest and Best Use must be (1) physically possible, (2) legally permissible, (3) financially feasible, and (4) the use producing the highest value maximally productive. Highest and Best Use may be defined as follows:

> The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.
>
> Highest and best use is shaped by competitive forces within the market where the property is located ....it is an economic study of market forces focused on the subject property.
>
> Source: The Appraisal of Real Estate, Appraisal Institute, Chicago, Illinois, 13th edition, 2008 pp.277-287

Because the use of the land can be limited by the presence of improvements, highest and best use is determined separately for the land or site as though vacant and available to be put to its highest and best use, and for the property as improved.

The first determination reflects the fact that land value is derived from potential land use. The highest and best use of a property as improved refers to the optimal use that could be made of the property including all existing structures.

The determination of the highest and best use of land as though vacant is useful for land or site valuation; determining the highest and best use of an improved property provides a decision regarding continued use or demolition of the property.

In the analysis of Highest and Best Use, four major factors are taken into consideration. These are the Physically Possible, Legally Permissible, Financially Feasible and Maximally Productive uses.

1. **Legally Permissible:** The category of Legally Permissible uses includes an analysis of public development regulations, including current and possible future changes in zoning regulations and procedures, and private constraints including deed restrictions, leases, or any known encumbrances on title.

2. **Physically Possible:** The category of Physically Possible is an analysis of the subject's ability to support various improvement types. Included in this category is an analysis of the physical attributes of the land, access and transportation, infrastructure and available public services, environmental considerations, along with current and expected future neighborhood development trends.

3. **Financially Feasible:** Financial Feasibility is an analysis of the ability of the property to return the highest possible yield to the investment of land and improvements based on its income producing capability and the return requirements of investors in the market.

4. **Maximally Productive.** The "maximally productive" use is that physically possible and legally permissible use which creates the highest net return or yield to the subject site.

Highest and Best Use as Vacant

Legal Permissibility	
Zoning/Land Use:	C-2, Retail Commercial District (City of Lake Alfred)
Based on the allowable and conditional uses, what are the most probable uses of the property?	Retail and office
Physical Possibility	
Size (Acres / SF)	0.28 / 12,197
Shape	The site is roughly rectangular.
Access	Poor
Topography	The subject has level topography at grade and no areas of wetlands.
Are there physical limitations that would restrict construction of the above uses on the property?	The subject site has poor access from Shinn Boulevard, and limited to no visibility from northbound traffic on S. Lakeshore Boulevard. Additionally, the small size will not allow many new commercial improvements, due to requirements for onsite retention and parking, in addition to building improvements. The poor access and small size limits the pool of potential users to those who have adjacent properties and desire additional land area for expansion or additional exposure.
Financial Feasibility	
What is the health of the current market?	Stabilizing from recent recession
Is there reasonable demand for additional product in the marketplace?	Yes
Conclusion:	Demand for additional properties is growing in the neighborhood as the market recovers from the recent recession.
Maximum Productivity	
Conclusion:	Based on the legal and physical characteristics of the subject property, combined with the financial feasibility of the property in the marketplace, the maximally productive use of the subject is assemblage with an adjacent parcel.
Highest and Best Use as Vacant Conclusion	Assemblage with an adjacent parcel.

Valuation Methodology

Three basic approaches may be used to arrive at an estimate of market value. They are:

1. The Cost Approach
2. The Income Approach
3. The Sales Comparison Approach

Cost Approach

The *Cost Approach* is based on the principle of substitution, which states that no rational person would pay more for a property than the amount for which he can obtain, by purchase of a site and construction of improvements without undue delay, a property of equal desirability and utility. The basic steps of the Cost Approach are to estimate land value as if vacant, to estimate the replacement or reproduction cost new of the basic improvements and minor structures (excluding any that were included as part of the land value), and then to estimate, in dollar amounts, the accrued depreciation caused by the physical deterioration, functional deficiencies, super adequacies, or any adverse economic influences. The next step is to deduct the accrued depreciation from the improvement's estimated replacement or reproduction cost new to arrive at a present depreciated cost estimate. Then, by adding the land value estimate, the result is an indicated value for the property by the Cost Approach.

The Cost Approach is summarized as follows:

Cost New
- Depreciation
<u>+ Land Value</u>
= Value

Sales Comparison Approach

The Sales Comparison Approach is based on the proposition that an informed purchaser would pay no more for a property than the cost of acquiring an equally desirable substitute property with the same or similar utility. This approach is applicable when an active market provides sufficient quantities of reliable data, which can be verified from authoritative sources. The Sales Comparison Approach compares sales of similar properties with the subject property. Each comparable sale is adjusted for its inferior or superior characteristics. The values derived from the adjusted comparable sales form a range of value for the subject. By process of correlation and analysis, a final indicated value is derived.

Income Approach

The Income Approach concerns the present value of any future benefits of property ownership. Future benefits are generally indicated by the amount of net income the property will produce during its remaining useful life. After comparison of interest yields and characteristics of risk for investments of similar types and classes of property, this net income is then capitalized into an estimate of value. The value indicated by the Income Approach is usually the most indicative value for properties, which are generally held for income production, or investment type properties in general.

Final Reconciliation

The appraisal process concludes with the Final Reconciliation of the values derived from the approaches applied for a single estimate of market value. Different properties require different means of analysis and lend themselves to one approach over the others.

Analyses Applied

A **cost analysis** was considered and was not developed because the subject consists of vacant land and the cost approach is not applicable.

A **sales comparison analysis** was considered and was developed because there is adequate data to develop a value opinion and this approach reflects market behavior for this property type.

An **income analysis** was considered and was not developed because there is inadequate market data to develop a value opinion for this approach.

In the appraisal of vacant land, the Sales Comparison Approach is the only applicable approach to value.

Sales Comparison Approach – Land Valuation

The Sales Comparison Approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership. It is based on the principles of supply and demand, balance, substitution and externalities. The following steps describe the applied process of the Sales Comparison Approach.

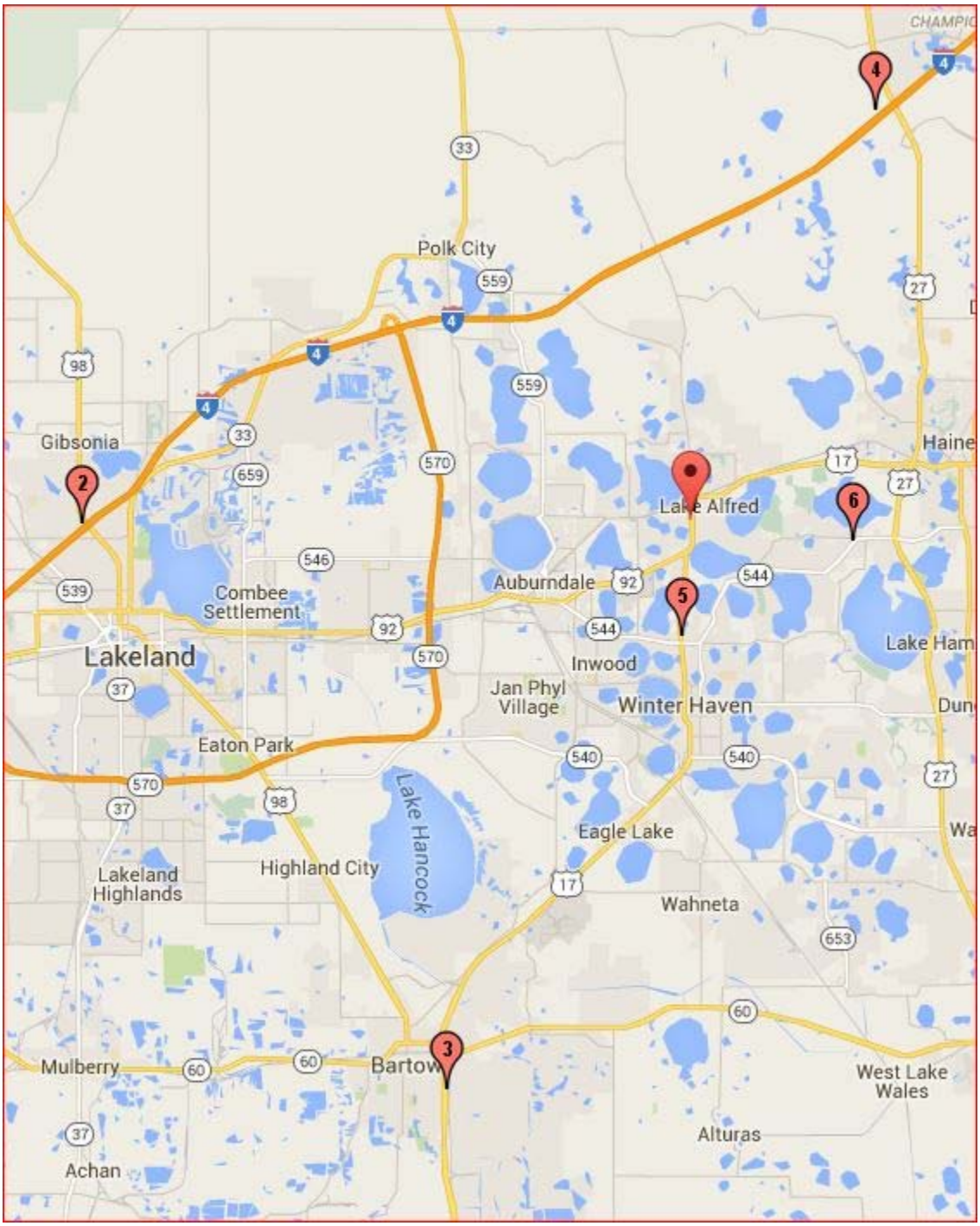
- The market in which the subject property competes is investigated; comparable sales, contracts for sale and current offerings are reviewed.
- The most pertinent data is further analyzed and the quality of the transaction is determined.
- The most meaningful unit of value for the subject property is determined.
- Each comparable sale is analyzed and where appropriate, adjusted to equate with the subject property.
- The value indication of each comparable sale is analyzed and the data reconciled for a final indication of value via the Sales Comparison Approach.

Land Comparables

We have researched six comparables for this analysis; these are documented on the following pages followed by a location map and analysis grid. All sales have been researched through numerous sources, inspected and verified by a party to the transaction.

Comp	Address	Date	Price	Acres	Land SF	Price Per Acre	Price Per Land SF
Subject	XXX Shinn Blvd	5/23/2016	N/A	0.28	12,197	N/A	N/A
1	225 Lake Shore Way S	6/13/2014	$498,000	1.77	77,101	$281,356	$6.46
2	3410 US Highway 98 N	2/26/2015	$1,350,000	3.90	169,884	346153.85	7.95
3	XXX US Highway 17 South	12/17/2015	$210,000	1.56	67,953	134615.38	3.09
4	XXX NW Access Road	12/10/2015	$500,000	3.21	139,828	155763.24	3.58
5	2020 US Highway 17 N	2/4/2014	$425,000	1.25	54,450	340000.00	7.81
6	XXX Lucerne Park Road	4/30/2015	$275,000	1.20	52,272	229166.67	5.26

Comparables Map



Land Sale 1

Lake Alfred Family Dollar Land

Location Data

Location:	225 Lake Shore Way S, Lake Alfred, FL
County:	Polk
Parcel ID#:	262732-503000-042010

Physical Data

Type:	Land - Commercial
Frontage:	205
Land Area (Acres):	1.8
Land Area (SF):	77,101
Developable Units:	1
Land Use:	C-2
Utilities:	W, S, T, E
Current Use:	Vacant
Intended Use:	Commercial development

Sale Data

Sale Status:	Closed Sale
Sales Date:	June 13, 2014
Sales Price:	$498,000
Expenditures After Sale:	$16,000
Grantor:	Gray Truck Line Co.
Grantee:	Boos Fund 2 - Lake Alfred, LLC
Deed Type:	Warranty deed
Document #:	9277/329
Financing:	Cash to seller
Condition of Sale:	Arm's length
Rights Conveyed:	Fee Simple
5-Year Sales History:	None in previous five years

Analysis

Sales Price/Acre:	$281,356
Sales Price/SF:	$6.46
Days on Market:	360+
Confirmation Source:	Tom Gaukel, CFO Grantee
Confirmed By:	JRP
Confirmation Date:	August 28, 2015

Comments

This is the sale of a 1.77 acre parcel of land located in Lake Alfred. The property has frontage on both the north and south bound lanes of the divided US Highway 17-92, as well as additional frontage on West Pierce Street. Access is considered to be good. The site was purchased for the development of a Family Dollar retail store, which has since been constructed and sold. Discussions with the developer revealed approximately $16,000 in clearing and offsite improvements, which have been added as an expenditure immediately after sale.

Land Sale 2

TownePlace Suites Land

Location Data

Location:	3410 US Highway 98 N, Lakeland, FL
County:	Polk
Parcel ID#:	232736-016029-000041 & 232801-000000-033380

Physical Data

Type:	Land - Commercial
Frontage:	270
Land Area (Acres):	3.9
Land Area (SF):	169,884
Developable Units:	2
Land Use:	PUD/RAC
Utilities:	W, S, T, E
Current Use:	Vacant
Intended Use:	Commercial development

Sale Data

Sale Status:	Closed Sale
Sales Date:	February 26, 2015
Sales Price:	$1,350,000
Expenditures After Sale:	$0
Grantor:	Hooters of America, LLC
Grantee:	James W. Moore/Lakeland Lodging, LLC
Deed Type:	Warranty deed
Document #:	9466/1679
Financing:	Cash to seller
Condition of Sale:	Arm's length
Rights Conveyed:	Fee Simple
5-Year Sales History:	None in previous five years

Analysis

Sales Price/Acre:	$346,154
Sales Price/SF:	$7.95
Days on Market:	360+
Confirmation Source:	Dave Randalf, Rep. of Grantee
Confirmed By:	JRP
Confirmation Date:	October 5, 2015

Comments

This is the sale of a vacant commercial outparcel located in north Lakeland, at the intersection of US Highway 98 and Interstate 4. The property was formerly a Hooters Inn hotel, but that structure had been demolished several years ago. The property is being purchased for the improvement of a TownePlace Suites hotel. Some former parking lot improvements onsite may be able to be incorporated into the new project, but the contributory value was offset by the demolition costs. The site is accessed through the property in front, currently a Hooters restaurant, and additional access from the rear.

Land Sale 3

Bartow US 17 Dollar General Land

Location Data

Location:	XXX US Highway 17 South, Bartow, FL
County:	Polk
Parcel ID#:	253008-407000-007010

Physical Data

Type:	Land - Commercial
Frontage:	275
Land Area (Acres):	1.6
Land Area (SF):	67,953
Developable Units:	1
Land Use:	Com
Utilities:	W, S, T, E
Current Use:	Vacant
Intended Use:	Commercial development

Sale Data

Sale Status:	Closed Sale
Sales Date:	December 17, 2015
Sales Price:	$210,000
Expenditures After Sale:	$30,000
Grantor:	Robert A. Edwards
Grantee:	Palmetto Bartow-US 17, LLC
Deed Type:	Warranty deed
Document #:	9706/490
Financing:	Cash to Seller
Condition of Sale:	Arm's length
Rights Conveyed:	Fee Simple
5-Year Sales History:	Inter-related in 9/3 (OR 9090/1098)

Analysis

Sales Price/Acre:	$134,615
Sales Price/SF:	$3.09
Confirmation Source:	Justin Wilson, Rep. of grantee
Confirmed By:	JRP
Confirmation Date:	February 2, 2016

Comments

This is the sale of a 1.54 acre commercial site located in an older residential and commercial corridor of Bartow, on US Highway 17 South. The property has average frontage on US Highway 17, but is an interior parcel, with no secondary access. This is less desirable for a Dollar General site, which typically requires two access or frontage points, but the land was priced accordingly. The site will require $30,000 for an onsite fire suppression tank.

Land Sale 4

Jarrett Properties Land

Location Data

Location:	XXX NW Access Road, Davenport, FL
County:	Polk
Parcel ID#:	27-26-07-701250-029002

Physical Data

Type:	Land - Commercial
Frontage:	126' on NW Access Road
Land Area (Acres):	3.2
Land Area (SF):	139,828
Developable Units:	1
Land Use:	RAC
Utilities:	W, S, T, E
Current Use:	Vacant
Intended Use:	Commercial Development

Sale Data

Sale Status:	Closed Sale
Sales Date:	December 10, 2015
Sales Price:	$500,000
Expenditures After Sale:	$0
Grantor:	Verizon Florida, Inc.
Grantee:	Jarret Properties I, Ltd.
Deed Type:	Special Warranty Deed
Document #:	9695/1465
Financing:	Cash to seller
Condition of Sale:	Arm's length
Rights Conveyed:	Fee Simple
5-Year Sales History:	None in past five years

Analysis

Sales Price/Acre:	$155,763
Sales Price/SF:	$3.58
Days on Market:	Not Listed
Confirmation Source:	Public Records, Margery Johnson (Realtor)
Confirmed By:	KLW
Confirmation Date:	February 25, 2016

Comments

This property consists of 3.21 acres that split from a larger parent tract owned by Verizon Florida. The property is located adjacent to Jarrett Ford on the NW Access Road off of US Highway 27. Access is considered to be average/fair. The site was purchased by Jarrett Ford for expansion of their current facility. Per the real estate agent, Verizon's retention was on the portion being sold, so Jarrett Ford agreed to provide retention to Verizon on their current property.

Land Sale 5

O'Reilly's - Winter Haven Parcel

Location Data

Location:	2020 US Highway 17 N, Winter Haven, FL
County:	Polk
Parcel ID#:	26-28-17-543500-004051

Physical Data

Type:	Land - Commercial
Frontage:	200
Land Area (Acres):	1.3
Land Area (SF):	54,450
Developable Units:	--
Land Use:	C-3
Utilities:	W, S, T, E
Current Use:	Former Restaurant
Intended Use:	Commercial Development

Sale Data

Sale Status:	Closed Sale
Sales Date:	February 4, 2014
Sales Price:	$425,000
Expenditures After Sale:	$25,000
Grantor:	Caerus Capital Partners, LLC
Grantee:	O'Reilly Automotive Stores, Inc.
Deed Type:	Warranty Deed
Document #:	9176/1744
Financing:	Cash to seller
Condition of Sale:	Arm's length
Rights Conveyed:	Fee Simple
5-Year Sales History:	Sold in May 2013 for $365,000

Analysis

Sales Price/Acre:	$340,000
Sales Price/SF:	$7.81
Days on Market:	180
Confirmation Source:	Public Records, Rocky Metcalf (Listing Agent)
Confirmed By:	KLW
Confirmation Date:	May 14, 2015

Comments

This is the sale of a parcel of land between Dollar General and Home Depot in north Winter Haven. At the time of sale, the site was improved with a former restaurant building. The property was purchased by O'Reilly Automotive Stores and will be redeveloped with a new O'Reilly's store. Demolition costs were reported to be approximately $25,000. This figure was added as an expenditure immediately after sale.

Land Sale 6

Lucerne Park Family Dollar Land

Location Data

Location:	XXX Lucerne Park Road, Winter Haven, FL
County:	Polk
Parcel ID#:	262801-521039-000010

Physical Data

Type:	Land - Commercial
Frontage:	240
Land Area (Acres):	1.2
Land Area (SF):	52,272
Developable Units:	1
Land Use:	C-4
Utilities:	W, S, T, E
Current Use:	Vacant
Intended Use:	Commercial development

Sale Data

Sale Status:	Closed Sale
Sales Date:	April 30, 2015
Sales Price:	$275,000
Expenditures After Sale:	N/A
Grantor:	Robin D. and Peggy Rogerson
Grantee:	GPI - Winter Haven Lucerne, LLC
Deed Type:	Warranty deed
Document #:	9517/409
Financing:	Cash to seller
Condition of Sale:	Arm's length
Rights Conveyed:	Fee Simple
5-Year Sales History:	Parent tract purchase in 7/13 for $175,000 (OR 9032/1356)

Analysis

Sales Price/Acre:	$229,167
Sales Price/SF:	$5.26
Days on Market:	Unknown
Confirmation Source:	Kelly Riley, Rep. of Grantee
Confirmed By:	JRP
Confirmation Date:	August 27, 2015

Comments

This is the sale of a vacant commercial site located at the intersection of Lucerne Park Road (SR 544) and Old Lucerne Park Road, in northeast Winter Haven. The site contains 1.20 gross acres of land and has access from both roadways. The property was purchased for the development of a new Family Dollar retail store. According to the developer, the site was cleared and ready for improvements with no substantial site improvements required.

Analysis Grid

The above sales have been analyzed and compared with the subject property. We have considered adjustments in the areas of:

- Property Rights Sold
- Financing
- Conditions of Sale
- Market Trends
- Location
- Physical Characteristics

Below is a sales comparison grid displaying the subject property, the comparables and the adjustments applied.

Land Analysis Grid		Comp 1	Comp 2	Comp 3	Comp 4	Comp 5	Comp 6
Address	XXX Shinn Blvd	225 Lake Shore Way S	3410 US Highway 98 N	XXX US Highway 17	XXX NW Access Road	2020 US Highway 17 N	XXX Lucerne Park Road
City	Lake Alfred	Lake Alfred	Lakeland	Bartow	Davenport	Winter Haven	Winter Haven
State	FL	FL	FL	FL	FL	FL	FL
Date	5/23/2016	6/13/2014	2/26/2015	12/17/2015	12/10/2015	2/4/2014	4/30/2015
Price	N/A	$498,000	$1,350,000	$210,000	$500,000	$425,000	$275,000
Land SF	12,197	77,101	169,884	67,953	139,828	54,450	52,272
Land SF Unit Price	N/A	$6.46	$7.95	$3.09	$3.58	$7.81	$5.26
Transaction Adjustments							
Property Rights	Fee Simple	Fee Simple 0.0%	Fee Simple 0.0%	Fee Simple 0.0%	Fee Simple 0.0%	Fee Simple 0.0%	Fee Simple 0.0%
Financing	Conventional	Cash to seller 0.0%	Cash to seller 0.0%	Cash to Seller 0.0%	Cash to seller 0.0%	Cash to seller 0.0%	Cash to seller 0.0%
Conditions of Sale	Arm's length	Arm's length 0.0%	Arm's length 0.0%	Arm's length 0.0%	Arm's length 0.0%	Arm's length 0.0%	Arm's length 0.0%
Expenditures		$16,000	$0	$30,000	$0	$25,000	$0
Adjusted Land SF Unit Price		**$6.67**	**$7.95**	**$3.53**	**$3.58**	**$8.26**	**$5.26**
Market Trends Through	5/23/2016 0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Adjusted Land SF Unit Price		$6.67	$7.95	$3.53	$3.58	$8.26	$5.26
Location	Shinn Blvd, Lake Alfred	Pierce St, Lake Alfred	US 98 N, Lakeland	US 17 S, Bartow	NW Access Rd, Davenport	US Highway 17 N, Winter Haven	Lucerne Park Rd, Winter Haven
% Adjustment		0%	-30%	10%	0%	-20%	10%
$ Adjustment		$0.00	-$2.38	$0.35	$0.00	-$1.65	$0.53
Acres	0.28	1.77	3.90	1.56	3.21	1.25	1.20
% Adjustment		-10%	-10%	-10%	-10%	-10%	-10%
$ Adjustment		-$0.67	-$0.79	-$0.35	-$0.36	-$0.83	-$0.53
Access	Poor	3 Roads	Limited	Interior	Access Road	2 Roads	2 Roads
% Adjustment		-40%	0%	-20%	0%	-40%	-40%
$ Adjustment		-$2.67	$0.00	-$0.71	$0.00	-$3.31	-$2.10
Site Improvements	None	None	Retention	None	None	None	None
% Adjustment		0%	-20%	0%	0%	0%	0%
$ Adjustment		$0.00	-$1.59	$0.00	$0.00	$0.00	$0.00
Adjusted Land SF Unit Price		**$3.33**	**$3.18**	**$2.83**	**$3.22**	**$2.48**	**$3.16**
Net Adjustments		-50.0%	-60.0%	-20.0%	-10.0%	-70.0%	-40.0%
Gross Adjustments		50.0%	60.0%	40.0%	10.0%	70.0%	60.0%

Comparable Land Sale Adjustments

Expenditures Immediately After Sale

When applicable, sales have been adjusted for Expenditures Immediately After Sale for items of known costs. These items can include fill, offsite improvements and/or other items which the buyer planned for, in addition to the sales price. The expenditure has been converted to a price per acre or square foot in the adjustment grid.

Property Rights

The subject and all sales represent the Fee Simple interest, and no adjustments for property rights were required.

Financing

All sales sold with cash equivalent terms, and no adjustments for financing were required.

Conditions of Sale

All transactions are considered to be at arm's length, and no adjustments for conditions of sale were required.

Economic Trends

The economic downturn that began in 2006-2007 negatively affected all aspects of the real estate market, resulting in a sharp decline in values. This trend has slowed and most market segments have experienced clear signs of stabilization with evidence of growth in some areas. In an effort to establish measurable differences in market conditions, if any, we have held discussions with active market participants such as brokers and investors. This, when coupled with our own research and experience with historical market indicators such as changes in sale prices, lease rates and overall capitalization rates, affords us the ability to develop appropriate market conditions adjustments.

Location

The subject property is located in the commercial district of Lake Alfred. Sale #1 is located just north of the subject and is considered similar in Location. Sales #2 and #5 are located in superior commercial corridors and downward adjustments were required. Sales #3 and #6 are located in inferior commercial corridors, and upward adjustments were warranted. Sale #4 is located out of the growth corridor north of Interstate 4, near Davenport, and is considered similar to the subject.

Acres

The subject site contains 0.28 gross acres of land. Typically, based on economies of scale, larger properties sell for less on a per square foot basis. However, in this instance, the smaller size is a detriment to the utility of the site, limiting the size of potential buildings when necessary retention and parking are included. Therefore, larger sites with superior utility are considered superior to the subject, and have received downward adjustments.

Access

As discussed previously, the subject has poor access from both directions of travel, requiring a u-turn for southbound traffic, and travel along a partially paved road for northbound traffic, with little to no visibility. Sales #1, #5 and #6 have good access from multiple roads and are considered superior to the subject. Sale #3 is an interior parcel, with fair access, but is superior to the subject. Sale #2 is only accessible through another parking lot, or, like the subject, from multiple turns onto several roads off of the main roadway. This sale is considered similar to the subject. Sale #4 is accessible from an access road off of US Highway 27, and is also considered similar to the subject. The adjustments for access and exposure are based on a study of similar properties held in the appraiser's working files.

Site Improvements

The subject property has not site improvements in place. Of the sales utilized, all sales are similar to the subject except Sale #2, which sold with retention in place, and is considered superior.

Sales Comparison Approach Conclusion – Land Valuation

The adjusted values per Land SF of the comparable properties range from $2.48 to $3.33; the average is $3.03. All of the value indications have been considered, and in the final analysis, each comparable has been given weight in arriving at our final reconciled per land sf value of $3.00.

Sales Comparison Approach Conclusion – Land Valuation	
Indicated Value per Land SF:	$3.00
Subject Size:	12,197
Indicated Value:	$36,590
Rounded:	$36,500

Value Conclusion

Based on the data and analyses developed in this appraisal, we have reconciled to the following value conclusion(s), as of May 23, 2016, subject to the Limiting Conditions and Assumptions of this appraisal.

Reconciled Value(s):	**As Is**
Value Conclusion(s)	$36,500
Effective Date(s)	May 23, 2016
Property Rights	Fee Simple

Addenda

Appraisal Engagement Form

Lender/Client	***Client Name***	City of Lake Alfred – Community Development		
	FIN #			
	Client Contact	Valerie Ferrell, Director	***Ordered By***	Valerie Ferrell
	Address	120 E. Pomelo Street		
	City, State, Zip	Lake Alfred, FL 33850		
	Phone #	863-291-5748	***Fax #***	
	Email Address	vferrell@mylakealfred.com		

Appraiser	A.R.E.A. REAL ESTATE APPRAISERS, INC.	**Post Office Box 334** **1136 First Street South** **Winter Haven, Florida 33882-0334** (863) 294-2384; (863) 297-9781 fax ***Oswald P. Carrerou, SRA*** ozzie@arearealestate.com ***Jim Pruitt, Comm.Dept.Manager*** jim@arearealestate.com

Subject Information	***Order Date:***	5/3/2016
	Property Address:	XXX Shinn Blvd
	City, State, Zip Code:	Lake Alfred, FL 33850
	Owner:	James C. Buchanan
	Borrower:	City of Lake Alfred
	Property Contact:	Valerie Ferrell
	Contact #:	863-291-5748
	Property Type:	Vacant commercial land
	Improvement Size(Units):	N/A
	Land Size (Acres):	0.28
	Assessor's Parcel # (if any):	262732-502000-000081
	Current Status of Improvements:	N/A

Scope of the Appraisal

Purpose	***Value Condition:***	As Is
	Value Type:	Market Value
	Interest Appraised:	Fee Simple
	Report Format:	Summary
	Intended User:	City of Lake Alfred
	Intended Use:	Potential acquisition of the property
Additional Info	***# of Copies Needed:***	PDF and 2 hard copies
	Reports Needed by (date):	3 weeks from acceptance
	Fee:	$1200
	Special Instructions:	Appraisal of 0.28 acres of commercial land. Lake Alfred is interested in purchasing all or part of the property.

By signing this document, the Client agrees to the terms above, including the fee and all reasonable costs associated with the collection of said fee, if required. Additionally, the undersigned acknowledges that he/she has the authority to legally contract the services of A.R.E.A. Real Estate Appraisers, Inc. for this assignment.

Signature 5/6/16 Date

RYAN LEAVENWORTH CITY MANAGER

Printed Name Title Oswald P. Carrerou, President

PROFESSIONAL QUALIFICATIONS

OSWALD P. CARREROU, President

A.R.E.A. REAL ESTATE APPRAISERS, INC.,
State Certified General Contractor CGC 1511393
State Certified General Real Estate Appraiser RZ271

Mr. Carrerou founded A.R.E.A Real Estate Appraisers, Incorporated in 1982. He is currently the owner and President of the firm, which specializes in appraising commercial, industrial, agricultural, residential, and special purpose properties. Mr. Carrerou is committed to excellence and quality and is dedicated to providing superior customer service.

State Certified General Real Estate Appraiser,		1990, No. RZ271
President, A.R.E.A. Real Estate Appraisers, Inc.		SINCE 1982
President, Premier Construction, LLC		SINCE 1996
Special Magistrate Appointment:	Highlands County, Florida	1999 – 2001, 2003 – 2008
	Polk County, Florida	2000 – 2001, 2004 – 2010
	Brevard County, Florida	2009, 2010, 2011, 2012
	Alachua County, Florida	2009, 2010, 2011, 2012

FORMAL EDUCATION

Florida State University - Tallahassee, Florida

Bachelor of Science in Business Administration and Real Estate - 1978

PROFESSIONAL ASSOCIATIONS, DESIGNATIONS & MEMBERSHIPS

APPRAISAL INSTITUTE, SRA Designation - 1982
STATE CERTIFIED GENERAL REAL ESTATE APPRAISER, Since 1990, #RZ271 (State of Florida)
STATE CERTIFIED GENERAL REAL PROPERTY APPRAISER, Since 2008, #332706 (State of Georgia)
STATE CERTIFIED GENERAL CONTRACTOR 1511393
Florida Association of Realtors
East Polk County Association of Realtors
Licensed Real Estate Broker - State of Florida

EDUCATIONAL CREDITS -(Courses Completed)
Appraisal Institute
SRA Designation, 1982
410 Standard of Professional Practice Part a (USPAP)
430 Standards of Professional Practice, Part "C"
510 Advanced Income Capitalization
520 Highest & Best Use and Market Analysis
530 Advanced Sales Comparison and Cost Approach
Regression Analysis in Appraisal Practice
707 Technology Forum, Part I
713 Technology Forum Part II
Appraisal of Retail Properties
Subdivision Valuation
Litigation Appraising
Condemnation Appraising Principles & App
Liens, Taxes, and Foreclosures

Florida State University
- Real Estate Principles and Practices
- Real Estate Finance
- Real Estate Appraisal
- Advanced Real Estate Appraisal
- Legal Environment of Real Estate
- Real Estate Feasibility Analysis

Florida Department of Revenue, Stephen Keller, Office of General Counsel
Value Adjustment Board/Special Master Training Seminar
Value Adjustment Board workshop on drafting new VAB procedures – Tallahassee, May 2009

OSWALD P. CARREROU, TYPES OF APPRAISALS COMPLETED

AGRICULTURAL & VACANT LAND:
- Citrus Groves, Pasture and Crop Land
- Commercial & Industrial
- Residential
- Conservation/Reserved Wetlands

RESIDENTIAL:
- Townhome, Villa, Duplex
- Single Family
- Condominium
- Planned Residential Subdivisions

RESIDENTIAL INCOME PRODUCING:
- Apartment Buildings
- Small Residential Income (1-4 family)
- Proposed and Existing Townhome Developments

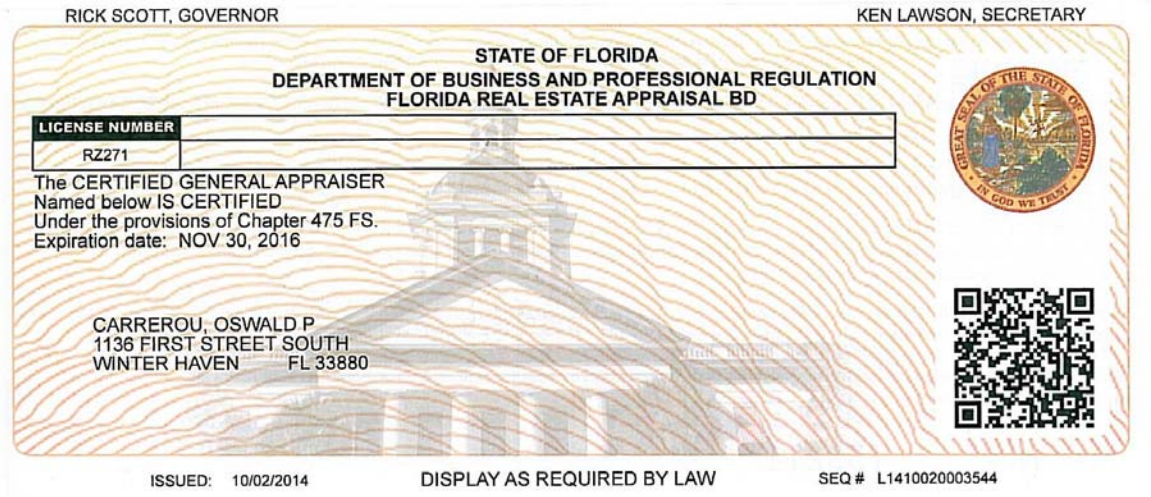
INDUSTRIAL:
- Distribution, Storage & Mini-Storage Warehouses
- Flex-Space Industrial Buildings

COMMERCIAL:
- Luxury Hotels
- Resort Motels
- Free-Standing & Multi-Story Office Buildings
- Professional Office Condominiums
- Community & Neighborhood Shopping Centers
- Free-Standing & Retail Strip Centers
- Mobile Home and Recreational Vehicle Parks
- Restaurants, Including Fast Food & Drive-Through
- Service Stations, Service Garages & Dealerships

SPECIAL PURPOSE & OTHER:
- Have provided appraisal services, valuation analysis and consulting services.
- Completing several eminent domain appraisal assignments in Polk and Hillsboro Counties.
- Qualified as an Expert Witness Polk, Hillsboro through testimony in several trials and Order of Taking Hearings.

EXPERIENCE

1982 to Present	A.R.E. A. Real Estate Appraisers, Inc., President Single Family, Multiple Family, Condominium, Commercial Appraising (100% time appraising).
6/80 to 4/82	Cypress Gardens Realty, 290 Cypress Gardens Boulevard, Winter Haven, Florida. Single Family, Multiple Family, Condominium, Commercial Appraising (100% time appraising).
8/78 to 6/80	First Federal of Broward, Fort Lauderdale, Florida. Single Family, Multiple Family and Condominiums (100% time appraising).


RICK SCOTT, GOVERNOR

KEN LAWSON, SECRETARY

STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
FLORIDA REAL ESTATE APPRAISAL BD

LICENSE NUMBER
RZ271

The CERTIFIED GENERAL APPRAISER
Named below IS CERTIFIED
Under the provisions of Chapter 475 FS.
Expiration date: NOV 30, 2016

CARREROU, OSWALD P
1136 FIRST STREET SOUTH
WINTER HAVEN FL 33880

ISSUED: 10/02/2014

DISPLAY AS REQUIRED BY LAW

SEQ # L1410020003544

PROFESSIONAL QUALIFICATIONS and RESUME

JAMES R. PRUITT, JR.
MANAGER, COMMERCIAL APPRAISAL DEPARTMENT
A.R.E.A. REAL ESTATE APPRAISERS, INC.,
State-Certified General Real Estate Appraiser RZ2543 (Florida)
Certified General Real Property Appraiser 355398 (Georgia)

Mr. Pruitt is a native Floridian, born in Winter Haven, in 1972, and graduated from Winter Haven High School in 1990. He is the third generation of real estate professionals in the Central Florida area, and the first appraiser in the family. Since 1993, Mr. Pruitt has contracted primarily with A.R.E.A. Real Estate Appraisers, Inc., in Winter Haven, and now manages the commercial real estate appraisal department, under the company president, Oswald P. Carrerou. Mr. Pruitt is also the president of Palantir Inc., an appraisal, consulting and technology provider with emphasis on real estate.

REAL ESTATE/APPRAISAL EXPERIENCE

2010-Present
Palantir Inc.; Winter Haven, Florida; *President*
1998-Present
A.R.E.A. Real Estate Appraisers, Inc.; Winter Haven, Florida; *Commercial Appraisal Department Manager/Fee* Appraiser
1993-1998
A.R.E.A. Real Estate Appraisers, Inc.; Winter Haven, Florida; *Fee Appraiser*
1992-1993
Race Realty, Inc.; Winter Haven, Florida; *Appraiser Research Assistant*

PROFESSIONAL RECOGNITION

State-Certified General Real Estate Appraiser RZ2543 (Florida)
State-Certified General Real Estate Appraiser 355398 (Georgia)

Qualified Expert Witness: Circuit Court of the Sixth Judicial Circuit, Pasco County, Florida
Circuit Court of the Fifth Judicial Circuit, Lake County, Florida
Circuit Court of the Fourth Judicial Circuit, Duval County, Florida

EDUCATIONAL/PROFESSIONAL CREDITS

Appraisal Institute Courses

Course 1A1/8-1, Real Estate Appraisal
Course 8-2, Residential Valuation
Standards of Professional Practice A
Subdivision Valuation
Small Hotel/Motel Valuation: Limited-Service Lodging
Analyzing Operating Expenses
Feasibility, Market Value, Investment Timing – Option Value

American Society of Appraisers Courses

RP401-Allocating Components in Going Concern Appraisals

Other Appraisal Courses & Seminars

2016-2017 National USPAP
Ad Valorum Tax Consultation
Appraisal of Assisted Living Facilities
Appraisal of Land Subject to Ground Leases
Appraisal of Self-Storage Facilities
Appraisal Principles
Appraising and Analyzing Retail Shopping Centers for Mortgage Underwriting
Appraising FHA Today
Communicating the Appraisal
Course AB-II
Course AB-III
Essential Elements of Disclosures and Disclaimers
Florida Appraisal Laws and Regulations
Florida Supervisor/Trainee Roles and Relationships
From the Appraiser to the Underwriter
How to Appraise a Business
Introduction to Expert Witness Testimony
Neighborhood Analysis
Real Estate, Mortgages and the Law
Residential Subdivision Analysis
The Cost Approach
The Dirty Dozen
The Federal National Mortgage Association
The Sales Comparison Approach

TYPES OF PROPERTY APPRAISED

RESIDENTIAL: Single family homes; 2-4 family dwellings; Vacant residential land and platted lots; Condominiums; Condo-tel sites; Apartment complexes

COMMERCIAL: Office buildings (single and multi-tenant); Retail buildings (multiple uses); Office warehouse properties; Gas stations; Commercial land; Strip retail/office centers; Convenience stores; Day care centers; Religious facilities; Schools and Colleges; Automobile dealerships; Hotel/motels; Car wash facilities; Restaurants (sit-down, fast food and drive-in); Funeral homes; Medical office buildings; Mixed-use properties; Net Lease properties

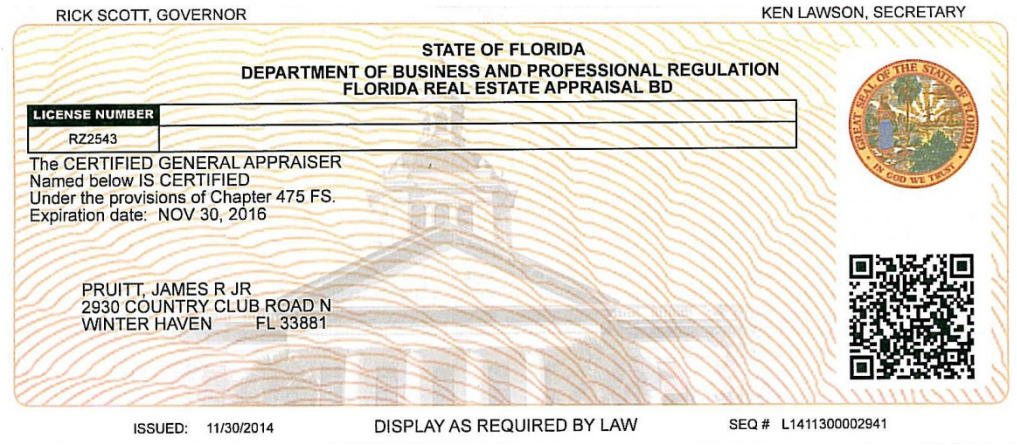
INDUSTRIAL: Industrial Land; Warehouse properties; Distribution warehouses; Manufacturing complexes; Mini-warehouse storage complexes; Aircraft hangars and related properties; Cold storage facilities; Citrus canning facilities; Service garage facilities; Research facilities

AGRICULTURAL: Citrus groves; Blueberry farms; Pasture land; Egg farms; Dairy farms; Timberland; Tree farms; Nurseries; Ranchland; Reclaimed phosphate land; Mining land – including Sand mines, Clay mines and Limestone mines

SPECIAL USE: Market lease analysis; Value in use analysis; Leasehold estate analysis; Insurable value analysis; Amusement parks/Theme parks; Golf courses and Country Clubs; Easements; Homeowner's Association common areas; Stigmatized property valuations (sinkholes, mold/mildew, construction defects); Highest and Best Use analysis; Sewage treatment sites/spray fields

DEVELOPMENTS: Single family residential subdivisions (proposed, existing and remaining lots); Townhome/condominium subdivisions (proposed, existing and remaining units); Office, retail and business park subdivisions (proposed, existing and remaining lots); Manufactures/mobile home parks (proposed and existing)

REVIEW: Review of all of the above property types


RICK SCOTT, GOVERNOR

KEN LAWSON, SECRETARY

STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
FLORIDA REAL ESTATE APPRAISAL BD

LICENSE NUMBER
RZ2543

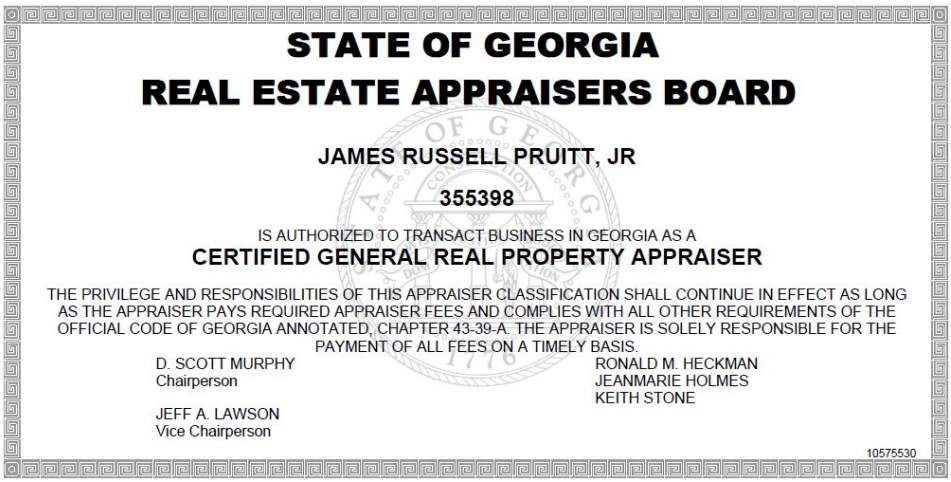
The CERTIFIED GENERAL APPRAISER
Named below IS CERTIFIED
Under the provisions of Chapter 475 FS.
Expiration date: NOV 30, 2016

PRUITT, JAMES R JR
2930 COUNTRY CLUB ROAD N
WINTER HAVEN FL 33881

ISSUED: 11/30/2014

DISPLAY AS REQUIRED BY LAW

SEQ # L1411300002941


STATE OF GEORGIA
REAL ESTATE APPRAISERS BOARD

JAMES RUSSELL PRUITT, JR

355398

IS AUTHORIZED TO TRANSACT BUSINESS IN GEORGIA AS A
CERTIFIED GENERAL REAL PROPERTY APPRAISER

THE PRIVILEGE AND RESPONSIBILITIES OF THIS APPRAISER CLASSIFICATION SHALL CONTINUE IN EFFECT AS LONG AS THE APPRAISER PAYS REQUIRED APPRAISER FEES AND COMPLIES WITH ALL OTHER REQUIREMENTS OF THE OFFICIAL CODE OF GEORGIA ANNOTATED, CHAPTER 43-39-A. THE APPRAISER IS SOLELY RESPONSIBLE FOR THE PAYMENT OF ALL FEES ON A TIMELY BASIS.

D. SCOTT MURPHY
Chairperson

JEFF A. LAWSON
Vice Chairperson

RONALD M. HECKMAN
JEANMARIE HOLMES
KEITH STONE

10575530

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1. **Sale and Purchase:** James C. Buchanan ("Seller") and City of Lake Alfred, Florida, a Florida municipal corporation ("Buyer") (the "parties") agree to sell and buy on the terms and conditions specified below the property ("Property") described as:
Address: 0 Shinn Boulevard, Lake Alfred, Florida 33850
Legal Description:
Begin at the NW corner of Lot 8, as shown on the Re-Plat of Arbuthnot's Subdivision, as recorded in Plat Book 26, Page 40, and run S 85 37'17"E, along the South boundary of Columbia Street (formerly McNeer Street, 120 feet; thence S 4 28'19"W, 100 feet; thence W parallel with the South boundary of Lot 8, 106.05 feet to the Easterly boundary of the Seaboard Coastline Railroad, thence N 3 03'00" West, along said boundary, 109.01 feet to the Point of Beginning.
SEC ___/TWP ___/RNG ___ of Polk County, Florida. Real Property ID No.: 262732-502000-000081
including all improvements existing on the Property and the following additional property: _____

2. **Purchase Price:** (U.S. currency).....$ 55,000.00
All deposits will be made payable to "Escrow Agent" named below and held in escrow by:
Escrow Agent's Name: Boswell & Dunlap LLP
Escrow Agent's Contact Person: Frederick J. Murphy, Jr.
Escrow Agent's Address: 245 S. Central Avenue, Bartow, FL 33830
Escrow Agent's Phone: 863-533-7117
Escrow Agent's Email: fjm@bosdun.com

(a) Initial deposit ($0 if left blank) (**Check if applicable**)
☐ accompanies offer
☐ will be delivered to Escrow Agent within _____ days (3 days if left blank) after Effective Date.....$ _____
(b) Additional deposit will be delivered to Escrow Agent (**Check if applicable**)
☐ within _____ days (10 days if left blank) after Effective Date
☐ within _____ days (3 days if left blank) after expiration of Feasibility Study Period .....$ _____
(c) Total Financing (see Paragraph 5) (express as a dollar amount or percentage).....$ _____
(d) Other: _____.....$ _____
(e) Balance to close (not including **Buyer's** closing costs, prepaid items, and prorations) to be paid at closing by wire transfer or other Collected funds .....$ 55,000.00

(f) ☐ (Complete only if purchase price will be determined based on a per unit cost instead of a fixed price.) The unit used to determine the purchase price is ☐ lot ☐ acre ☐ square foot ☐ other (specify): _____ prorating areas of less than a full unit. The purchase price will be $_____ per unit based on a calculation of total area of the Property as certified to **Seller** and **Buyer** by a Florida licensed surveyor in accordance with Paragraph 7(c). The following rights of way and other areas will be excluded from the calculation: _____

3. **Time for Acceptance; Effective Date:** Unless this offer is signed by **Seller** and **Buyer** and an executed copy delivered to all parties on or before _____, this offer will be withdrawn and **Buyer's** deposit, if any, will be returned. The time for acceptance of any counter offer will be 3 days after the date the counter offer is delivered. **The "Effective Date" of this contract is the date on which the last one of the Seller and Buyer has signed or initialed and delivered this offer or the final counter offer.**

4. **Closing Date:** This transaction will close on August 30, 2016 ("Closing Date"), unless specifically extended by other provisions of this contract. The Closing Date will prevail over all other time periods including, but not limited to, Financing and Feasibility Study periods. However, if the Closing Date occurs on a Saturday, Sunday, or national legal holiday, it will extend to 5:00 p.m. (where the Property is located) of the next business day. In the event insurance underwriting is suspended on Closing Date and **Buyer** is unable to obtain property insurance, **Buyer** may postpone closing for up to 5 days after the insurance underwriting suspension is lifted. If this transaction does not close for any reason, **Buyer** will immediately return all **Seller** provided documents and other items.

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5. Financing: (**Check as applicable**)

(a) ☒ **Buyer** will pay cash for the Property with no financing contingency.

(b) ☐ This contract is contingent on **Buyer** qualifying for and obtaining the commitment(s) or approval(s) specified below ("Financing") within _____ days after Effective Date (Closing Date or 30 days after Effective Date, whichever occurs first, if left blank) ("Financing Period"). **Buyer** will apply for Financing within _____ days after Effective Date (5 days if left blank) and will timely provide any and all credit, employment, financial, and other information required by the lender. If **Buyer**, after using diligence and good faith, cannot obtain the Financing within the Financing Period, either party may terminate this contract and **Buyer's** deposit(s) will be returned.

(1) ☐ **New Financing: Buyer** will secure a commitment for new third party financing for $_____ or _____% of the purchase price at (**Check one**) ☐ a fixed rate not exceeding _____% ☐ an adjustable interest rate not exceeding _____% at origination (a fixed rate at the prevailing interest rate based on **Buyer's** creditworthiness if neither choice is selected). **Buyer** will keep **Seller** and Broker fully informed of the loan application status and progress and authorizes the lender or mortgage broker to disclose all such information to **Seller** and Broker.

(2) ☐ **Seller Financing: Buyer** will execute a ☐ first ☐ second purchase money note and mortgage to **Seller** in the amount of $_____, bearing annual interest at _____% and payable as follows: _____

The mortgage, note, and any security agreement will be in a form acceptable to **Seller** and will follow forms generally accepted in the county where the Property is located; will provide for a late payment fee and acceleration at the mortgagee's option if **Buyer** defaults; will give **Buyer** the right to prepay without penalty all or part of the principal at any time(s) with interest only to date of payment; will be due on conveyance or sale; will provide for release of contiguous parcels, if applicable; and will require **Buyer** to keep liability insurance on the Property, with **Seller** as additional named insured. **Buyer** authorizes **Seller** to obtain credit, employment, and other necessary information to determine creditworthiness for the financing. **Seller** will, within 10 days after Effective Date, give **Buyer** written notice of whether or not **Seller** will make the loan.

(3) ☐ **Mortgage Assumption: Buyer** will take title subject to and assume and pay existing first mortgage to _____ LN#_____ in the approximate amount of $_____ currently payable at $_____ per month, including principal, interest, ☐ taxes and insurance, and having a ☐ fixed ☐ other (describe) _____ interest rate of _____% which ☐ will ☐ will not escalate upon assumption. Any variance in the mortgage will be adjusted in the balance due at closing with no adjustment to purchase price. **Buyer** will purchase **Seller's** escrow account dollar for dollar. If the interest rate upon transfer exceeds _____% or the assumption/transfer fee exceeds $_____, either party may elect to pay the excess, failing which this contract will terminate; and **Buyer's** deposit(s) will be returned. If the lender disapproves **Buyer**, this contract will terminate; and **Buyer's** deposit(s) will be returned.

6. Assignability: (**Check one**) **Buyer** ☒ may assign and thereby be released from any further liability under this contract, ☐ may assign but not be released from liability under this contract, or ☐ may not assign this contract.

7. Title: Seller has the legal capacity to and will convey marketable title to the Property by ☒ statutory warranty deed ☐ special warranty deed ☐ other (specify) _____, free of liens, easements, and encumbrances of record or known to **Seller**, but subject to property taxes for the year of closing; covenants, restrictions, and public utility easements of record; existing zoning and governmental regulations; and (list any other matters to which title will be subject) _____, provided there exists at closing no violation of the foregoing.

(a) Title Evidence: The party who pays for the owner's title insurance policy will select the closing agent and pay for the title search, including tax and lien search if performed, and all other fees charged by closing agent. **Seller** will deliver to **Buyer**, at

(**Check one**) ☒ **Seller's** ☐ **Buyer's** expense and

(**Check one**) ☐ within _____ days after Effective Date ☐ at least _____ days before Closing Date,

(**Check one**)

(1) ☒ a title insurance commitment by a Florida licensed title insurer setting forth those matters to be discharged by **Seller** at or before closing and, upon **Buyer** recording the deed, an owner's policy in the amount of the purchase price for fee simple title subject only to the exceptions stated above. If **Buyer** is paying for the owner's title insurance policy and **Seller** has an owner's policy, **Seller** will deliver a copy to **Buyer** within 15 days after Effective Date.

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(2) ☐ an abstract of title, prepared or brought current by an existing abstract firm or certified as correct by an existing firm. However, if such an abstract is not available to **Seller**, then a prior owner's title policy acceptable to the proposed insurer as a base for reissuance of coverage may be used. The prior policy will include copies of all policy exceptions and an update in a format acceptable to **Buyer** from the policy effective date and certified to **Buyer** or **Buyer's** closing agent together with copies of all documents recited in the prior policy and in the update. If such an abstract or prior policy is not available to **Seller**, then (1) above will be the title evidence.

(b) **Title Examination:** After receipt of the title evidence, **Buyer** will, within _____ days (10 days if left blank) but no later than Closing Date, deliver written notice to **Seller** of title defects. Title will be deemed acceptable to **Buyer** if (i) **Buyer** fails to deliver proper notice of defects or (ii) **Buyer** delivers proper written notice and **Seller** cures the defects within _____ days (30 days if left blank) ("Cure Period") after receipt of the notice. If the defects are cured within the Cure Period, closing will occur within 10 days after receipt by **Buyer** of notice of such cure. **Seller** may elect not to cure defects if **Seller** reasonably believes any defect cannot be cured within the Cure Period. If the defects are not cured within the Cure Period, **Buyer** will have 10 days after receipt of notice of **Seller's** inability to cure the defects to elect whether to terminate this contract or accept title subject to existing defects and close the transaction without reduction in purchase price.

(c) **Survey: Buyer** may, at **Buyer's** expense, have the Property surveyed and must deliver written notice to **Seller**, within 5 days after receiving survey but not later than 5 days before Closing Date, of any encroachments on the Property, encroachments by the Property's improvements on other lands, or deed restriction or zoning violations. Any such encroachment or violation will be treated in the same manner as a title defect and **Seller's** and **Buyer's** obligations will be determined in accordance with Paragraph 7(b).

(d) **Ingress and Egress: Seller** warrants that the Property presently has ingress and egress.

8. **Property Condition: Seller** will deliver the Property to **Buyer** at closing in its present "as is" condition, with conditions resulting from **Buyer's** Inspections and casualty damage, if any, excepted. **Seller** will not engage in or permit any activity that would materially alter the Property's condition without the **Buyer's** prior written consent.

(a) **Inspections: (Check (1) or (2))**

(1) ☒ **Feasibility Study: Buyer** will, at **Buyer's** expense and within 45 days (30 days if left blank) ("Feasibility Study Period") after Effective Date and in **Buyer's** sole and absolute discretion, determine whether the Property is suitable for **Buyer's** intended use. During the Feasibility Study Period, **Buyer** may conduct a Phase 1 environmental assessment and any other tests, analyses, surveys, and investigations ("Inspections") that **Buyer** deems necessary to determine to **Buyer's** satisfaction the Property's engineering, architectural, and environmental properties; zoning and zoning restrictions; subdivision statutes; soil and grade; availability of access to public roads, water, and other utilities; consistency with local, state, and regional growth management plans; availability of permits, government approvals, and licenses; and other inspections that **Buyer** deems appropriate. If the Property must be rezoned, **Buyer** will obtain the rezoning from the appropriate government agencies. **Seller** will sign all documents **Buyer** is required to file in connection with development or rezoning approvals. **Seller** gives **Buyer**, its agents, contractors, and assigns, the right to enter the Property at any time during the Feasibility Study Period for the purpose of conducting Inspections, provided, however, that **Buyer**, its agents, contractors, and assigns enter the Property and conduct Inspections at their own risk. **Buyer** will indemnify and hold **Seller** harmless from losses, damages, costs, claims, and expenses of any nature, including attorneys' fees, expenses, and liability incurred in application for rezoning or related proceedings, and from liability to any person, arising from the conduct of any and all Inspections or any work authorized by **Buyer**. **Buyer** will not engage in any activity that could result in a construction lien being filed against the Property without **Seller's** prior written consent. If this transaction does not close, **Buyer** will, at **Buyer's** expense, (i) repair all damages to the Property resulting from the Inspections and return the Property to the condition it was in before conducting the Inspections and (ii) release to **Seller** all reports and other work generated as a result of the Inspections.

Before expiration of the Feasibility Study Period, **Buyer** must deliver written notice to **Seller** of **Buyer's** determination of whether or not the Property is acceptable. **Buyer's** failure to comply with this notice requirement will constitute acceptance of the Property as suitable for **Buyer's** intended use in its "as is" condition. If the Property is unacceptable to **Buyer** and written notice of this fact is timely delivered to **Seller**, this contract will be deemed terminated, and **Buyer's** deposit(s) will be returned.

(2) ☐ **No Feasibility Study: Buyer** is satisfied that the Property is suitable for **Buyer's** purposes, including being satisfied that either public sewerage and water are available to the Property or the Property will be approved for the installation of a well and/or private sewerage disposal system and that existing zoning

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and other pertinent regulations and restrictions, such as subdivision or deed restrictions, concurrency, growth management, and environmental conditions, are acceptable to **Buyer**. This contract is not contingent on **Buyer** conducting any further investigations.

(b) Government Regulations: Changes in government regulations and levels of service which affect **Buyer's** intended use of the Property will not be grounds for terminating this contract if the Feasibility Study Period has expired or if Paragraph 8(a)(2) is selected.

(c) Flood Zone: Buyer is advised to verify by survey, with the lender, and with appropriate government agencies which flood zone the Property is in, whether flood insurance is required, and what restrictions apply to improving the Property and rebuilding in the event of casualty.

(d) Coastal Construction Control Line ("CCCL"): If any part of the Property lies seaward of the CCCL as defined in Section 161.053, Florida Statutes, **Seller** will provide **Buyer** with an affidavit or survey as required by law delineating the line's location on the Property, unless **Buyer** waives this requirement in writing. The Property being purchased may be subject to coastal erosion and to federal, state, or local regulations that govern coastal property, including delineation of the CCCL, rigid coastal protection structures, beach nourishment, and the protection of marine turtles. Additional information can be obtained from the Florida Department of Environmental Protection, including whether there are significant erosion conditions associated with the shore line of the Property being purchased.

☐ **Buyer** waives the right to receive a CCCL affidavit or survey.

9. Closing Procedure; Costs: Closing will take place in the county where the Property is located and may be conducted by mail or electronic means. If title insurance insures **Buyer** for title defects arising between the title binder effective date and recording of **Buyer's** deed, closing agent will disburse at closing the net sale proceeds to **Seller** (in local cashier's check if **Seller** requests in writing at least 5 days before closing) and brokerage fees to Broker as per Paragraph 19. In addition to other expenses provided in this contract, **Seller** and **Buyer** will pay the costs indicated below.

(a) Seller Costs:

Taxes on deed
Recording fees for documents needed to cure title
Title evidence (if applicable under Paragraph 7)
Other: _____

(b) Buyer Costs:

Taxes and recording fees on notes and mortgages
Recording fees on the deed and financing statements
Loan expenses
Title evidence (if applicable under Paragraph 7)
Lender's title policy at the simultaneous issue rate
Inspections
Survey
Insurance
Other: _____

~~**(c) Prorations:** The following items will be made current and prorated as of the day before Closing Date: real estate taxes (including special benefit tax liens imposed by a CDD), interest, bonds, assessments, leases, and other Property expenses and revenues. If taxes and assessments for the current year cannot be determined, the previous year's rates will be used with adjustment for any exemptions.~~

~~**(d) Special Assessment by Public Body:** Regarding special assessments imposed by a public body, **Seller** will pay (i) the full amount of liens that are certified, confirmed, and ratified before closing and (ii) the amount of the last estimate of the assessment if an improvement is substantially completed as of Effective Date but has not resulted in a lien before closing; and **Buyer** will pay all other amounts. If special assessments may be paid in installments, ☐ **Seller** ☐ **Buyer** (**Buyer** if left blank) will pay installments due after closing. If **Seller** is checked, **Seller** will pay the assessment in full before or at the time of closing. Public body does not include a Homeowners' or Condominium Association.~~

(e) PROPERTY TAX DISCLOSURE SUMMARY: BUYER SHOULD NOT RELY ON THE **SELLER'S** CURRENT PROPERTY TAXES AS THE AMOUNT OF PROPERTY TAXES THAT **BUYER** MAY BE OBLIGATED TO PAY IN THE YEAR SUBSEQUENT TO PURCHASE. A CHANGE OF OWNERSHIP OR PROPERTY IMPROVEMENTS TRIGGERS REASSESSMENTS OF THE PROPERTY THAT COULD RESULT IN HIGHER PROPERTY TAXES. IF YOU HAVE ANY QUESTIONS CONCERNING VALUATION, CONTACT THE COUNTY PROPERTY APPRAISER'S OFFICE FOR FURTHER INFORMATION.

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(f) **Foreign Investment in Real Property Tax Act ("FIRPTA"):** If **Seller** is a "foreign person" as defined by FIRPTA, **Seller** and **Buyer** will comply with FIRPTA, which may require **Seller** to provide additional cash at closing.

(g) **1031 Exchange:** If either **Seller** or **Buyer** wish to enter into a like-kind exchange (either simultaneously with closing or after) under Section 1031 of the Internal Revenue Code ("Exchange"), the other party will cooperate in all reasonable respects to effectuate the Exchange including executing documents, provided, however, that the cooperating party will incur no liability or cost related to the Exchange and that the closing will not be contingent upon, extended, or delayed by the Exchange.

10. Computation of Time: Calendar days will be used when computing time periods, except time periods of 5 days or less. Time periods of 5 days or less will be computed without including Saturday, Sunday, or national legal holidays specified in 5 U.S.C. 6103(a). Any time period ending on a Saturday, Sunday, or national legal holiday will extend until 5:00 p.m. (where the Property is located) of the next business day. **Time is of the essence in this contract.**

11. Risk of Loss; Eminent Domain: If any portion of the Property is materially damaged by casualty before closing or **Seller** negotiates with a governmental authority to transfer all or part of the Property in lieu of eminent domain proceedings or an eminent domain proceeding is initiated, **Seller** will promptly inform **Buyer**. Either party may terminate this contract by written notice to the other within 10 days after **Buyer's** receipt of **Seller's** notification, and **Buyer's** deposit(s) will be returned, failing which **Buyer** will close in accordance with this contract and receive all payments made by the governmental authority or insurance company, if any.

12. Force Majeure: **Seller** or **Buyer** will not be required to perform any obligation under this contract or be liable to each other for damages so long as the performance or non-performance of the obligation is delayed, caused, or prevented by an act of God or force majeure. An "act of God or "force majeure" is defined as hurricanes, earthquakes, floods, fire, unusual transportation delays, wars, insurrections, and any other cause not reasonably within the control of **Seller** or **Buyer** and which by the exercise of due diligence the non-performing party is unable in whole or in part to prevent or overcome. All time periods, including Closing Date, will be extended for the period that the act of God or force majeure is in place. However, in the event that such act of God or force majeure event continues beyond 30 days, either party may terminate this contract by delivering written notice to the other; and **Buyer's** deposit(s) will be returned.

13. Notices: All notices will be in writing and delivered to the parties and Broker by mail, personal delivery, or electronic means. **Buyer's failure to timely deliver written notice to Seller, when such notice is required by this contract, regarding any contingency will render that contingency null and void, and this contract will be construed as if the contingency did not exist. Any notice, document, or item delivered to or received by an attorney or licensee (including a transactions broker) representing a party will be as effective as if delivered to or received by that party.**

14. Complete Agreement; Persons Bound: This contract is the entire agreement between **Seller** and **Buyer**. **Except for brokerage agreements, no prior or present agreements will bind Seller, Buyer, or Broker unless incorporated into this contract.** Modifications of this contract will not be binding unless in writing, signed or initialed, and delivered by the party to be bound. Electronic signatures will be acceptable and binding. This contract, signatures, initials, documents referenced in this contract, counterparts, and written modifications communicated electronically or on paper will be acceptable for all purposes, including delivery, and will be binding. Handwritten or typewritten terms inserted in or attached to this contract prevail over preprinted terms. If any provision of this contract is or becomes invalid or unenforceable, all remaining provisions will continue to be fully effective. **Seller** and **Buyer** will use diligence and good faith in performing all obligations under this contract. This contract will not be recorded in any public record. The terms "**Seller**," "**Buyer**," and "Broker" may be singular or plural. This contract is binding on the heirs, administrators, executors, personal representatives, and assigns, if permitted, of **Seller**, **Buyer**, and Broker.

15. Default and Dispute Resolution: This contract will be construed under Florida law. This Paragraph will survive closing or termination of this contract.

(a) **Seller Default:** If **Seller** fails, neglects, or refuses to perform **Seller's** obligations under this contract, **Buyer** may elect to receive a return of **Buyer's** deposit(s) without thereby waiving any action for damages resulting from **Seller's** breach and may seek to recover such damages or seek specific performance. **Seller** will also be liable for the full amount of the brokerage fee.

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(b) **Buyer Default:** If **Buyer** fails, neglects, or refuses to perform **Buyer's** obligations under this contract, including payment of deposit(s), within the time(s) specified, **Seller** may elect to recover and retain the deposit(s), paid and agreed to be paid, for the account of **Seller** as agreed upon liquidated damages, consideration for execution of this contract, and in full settlement of any claims, whereupon **Seller** and **Buyer** will be relieved from all further obligations under this contract; or **Seller**, at **Seller's** option, may proceed in equity to enforce **Seller's** rights under this contract.

16. Escrow Agent; Closing Agent: **Seller** and **Buyer** authorize Escrow Agent and closing agent (collectively "Agent") to receive, deposit, and hold funds and other items in escrow and, subject to Collection, disburse them upon proper authorization and in accordance with Florida law and the terms of this contract, including disbursing brokerage fees. "Collection" or "Collected" means any checks tendered or received have become actually and finally collected and deposited in the account of Agent. The parties agree that Agent will not be liable to any person for misdelivery of escrowed items to **Seller** or **Buyer**, unless the misdelivery is due to Agent's willful breach of this contract or gross negligence. If Agent interpleads the subject matter of the escrow, Agent will pay the filing fees and costs from the deposit and will recover reasonable attorneys' fees and costs to be paid from the escrowed funds or equivalent and charged and awarded as court costs in favor of the prevailing party.

17. Professional Advice; Broker Liability: Broker advises **Seller** and **Buyer** to verify all facts and representations that are important to them and to consult an appropriate professional for legal advice (for example, interpreting this contract, determining the effect of laws on the Property and this transaction, status of title, foreign investor reporting requirements, the effect of property lying partially or totally seaward of the CCCL, etc.) and for tax, property condition, environmental, and other specialized advice. **Buyer** acknowledges that Broker does not reside in the Property and that all representations (oral, written, or otherwise) by Broker are based on **Seller** representations or public records. **Buyer agrees to rely solely on Seller, professional inspectors, and government agencies for verification of the Property condition and facts that materially affect Property value. Seller** and **Buyer** respectively will pay all costs and expenses, including reasonable attorneys' fees at all levels, incurred by Broker and Broker's officers, directors, agents, and employees in connection with or arising from **Seller's** or **Buyer's** misstatement or failure to perform contractual obligations. **Seller** and **Buyer** hold harmless and release Broker and Broker's officers, directors, agents, and employees from all liability for loss or damage based on (i) **Seller's** or **Buyer's** misstatement or failure to perform contractual obligations; (ii) the use or display of listing data by third parties, including, but not limited to, photographs, images, graphics, video recordings, virtual tours, drawings, written descriptions, and remarks related to the Property; (iii) Broker's performance, at **Seller's** or **Buyer's** request, of any task beyond the scope of services regulated by Chapter 475, Florida Statutes, as amended, including Broker's referral, recommendation, or retention of any vendor; (iv) products or services provided by any vendor; and (v) expenses incurred by any vendor. **Seller** and **Buyer** each assume full responsibility for selecting and compensating their respective vendors. This Paragraph will not relieve Broker of statutory obligations. For purposes of this Paragraph, Broker will be treated as a party to this contract. This Paragraph will survive closing.

18. Commercial Real Estate Sales Commission Lien Act: If the Property is commercial real estate as defined by Section 475.701, Florida Statutes, the following disclosure will apply: The Florida Commercial Real Estate Sales Commission Lien Act provides that when a broker has earned a commission by performing licensed services under a brokerage agreement with you, the broker may claim a lien against your net sales proceeds for the broker's commission. The broker's lien rights under the act cannot be waived before the commission is earned.

19. Brokers: The brokers named below are collectively referred to as "Broker." **Instruction to closing agent: Seller** and **Buyer** direct closing agent to disburse at closing the full amount of the brokerage fees as specified in separate brokerage agreements with the parties and cooperative agreements between the Brokers, except to the extent Broker has retained such fees from the escrowed funds. This Paragraph will not be used to modify any MLS or other offer of compensation made by **Seller** or **Seller's** Broker to **Buyer's** Broker.

(a) *N/A* _____ (**Seller's** Broker) will be compensated by ☐ **Seller** ☐ **Buyer** ☐ both parties pursuant to ☐ a listing agreement ☐ other (specify): _____

(b) *N/A* _____ (**Buyer's** Broker) will be compensated by ☐ **Seller** ☐ **Buyer** ☐ both parties ☐ **Seller's** Broker pursuant to ☐ a MLS offer of compensation ☐ other (specify): _____

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20. Additional Terms:

See Addendum to Vacant Land Contract attached hereto.

This is intended to be a legally binding contract. If not fully understood, seek the advice of an attorney before signing.

Buyer: _____ Date: 6/29/16

Print name: RYAN LEAVENGOOD, CITY MANAGER - CITY OF LAKE ALFRED

Buyer: _____ Date: _____

Print name: _____

Buyer's address for purpose of notice:

Address: _____

Phone: _____ Fax: _____ Email: _____

Seller: _____ Date: _____

Print name: JAMES C BUCHANAN

Seller: _____ Date: _____

Print name: _____

Seller's address for purpose of notice:

Address: _____

Phone: _____ Fax: _____ Email: _____

Effective Date: _____ **(The date on which the last party signed or initialed and delivered the final offer or counter offer.)**

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ADDENDUM TO VACANT LAND CONTRACT

A. The Buyer's obligation to close this transaction is contingent on all of the following matters being completed: 1) Approval by the City Commission of the City of Lake Alfred authorizing the purchase of the subject property in accordance with the terms of this Contract.

B. Effective Date is the date that this Contract is approved by the City Commission of the City of Lake Alfred.

C. Each party shall pay its own attorney's fees incurred in this matter.

D. Subject to appraisal, testing, inspections, soil borings, survey, and other due diligence determined necessary by the City which shall be completed within 45 days ("Due Diligence Period") from the effective date of this Contract. Such tests and other matters must be satisfactory to the Buyer as a condition precedent to its obligation to close this transaction. In the event any appraisal, test, inspection, soil boring, survey, and other due diligence matters set forth above are not acceptable to the Buyer then it shall notify Seller of same in writing within the Due Diligence Period contained in this Contract. Thereafter the Buyer and Seller shall be relieved of any further obligations and/or responsibilities related to this Contract and all deposits paid hereunder shall be refunded in full to Buyer. Buyer shall pay all costs associated with due diligence matters determined necessary by Buyer. Each party shall pay its own attorney's fees incurred in this matter.

E. Buyer and Seller may attempt to resolve any disputes through non-binding mediation. Mediation shall be conducted in Polk County, Florida, by a Mediator who is certified to conduct mediations pursuant to rules promulgated by the Chief Circuit Judge of the 10th Judicial Circuit, Polk County, Florida. Any mediation shall be conducted within 45 days of the date of any dispute. Each party shall bear their own costs in mediation and the Mediator shall be paid one-half by each party.

F. All real estate taxes prior to 2016 and all certified, confirmed, and ratified assessments which are a lien against the Property shall be satisfied of record by Seller at Closing. All current real estate taxes shall be pro-rated as of Closing. If a certified, confirmed, and ratified assessment is payable in installments, Seller will pay all installments due and payable on or before the Closing, with any installment for any period extending beyond the Closing Date prorated as of Closing. In the event Buyer acquires fee title to the Property between January 1 and November 1, Seller shall, in accordance with Section 196.295, Florida Statutes, place in escrow with the county tax collector an amount equal to the current taxes prorated to the date of Closing, based upon the current assessment and millage rates on the Property. In the event Buyer acquires fee title to the Property on or after November 1, Sellers shall pay, prorated to the day of Closing, to the county tax collector an amount equal to the taxes that are determined to be legally due and payable to the county tax collector. If an improvement is substantially completed as of the Closing Date that has not resulted in a lien before Closing, Seller will pay the amount of the last estimate of the assessment. This subsection applies to special assessment liens imposed by a public body and does not apply to condominium association special assessments.

Buyer (PA)(_____) and Seller (_____)