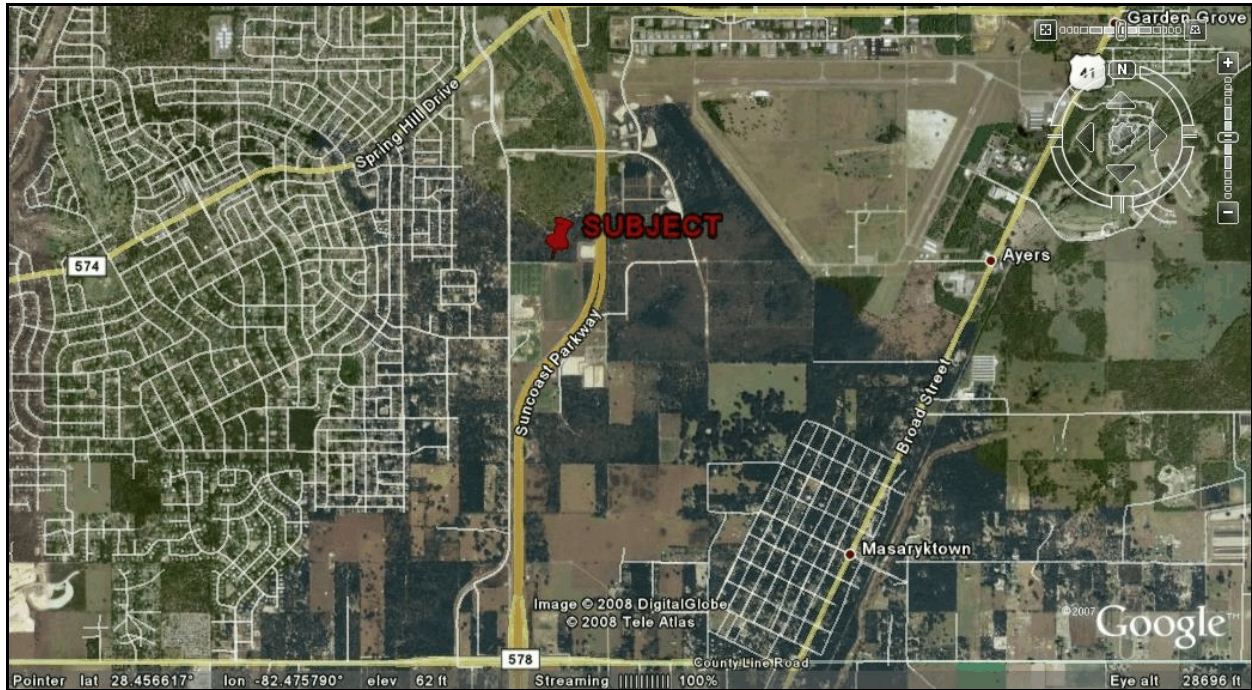


NEIGHBORHOOD/AREA ANALYSIS

The subject property is located on the south side of Edward Noll Road, east of Anderson Snow Road. Following is a location map for the subject.



The subject consists of a proposed industrial development. The subject area is known as Spring Hill. The neighborhood boundaries include Powell Road to the north, U.S. Highway 41 to the east, Sullivan Street to the south and Mariner Boulevard to the west. The predominant uses along Spring Hill Drive include vacant land and commercial uses to include Walgreens, Advance Auto Parts, Publix, Verizon Wireless, gas stations, and local retail space. Other commercial uses include new home builders model homes/sales centers located along Spring Hill Drive. Uses surrounding the subject include the local VFW, vacant land within the industrial park, a public park, the Villas @ Spring Hill townhomes, and the airport industrial area located primarily east of the Suncoast Expressway. New construction in all market segments was noted during the inspection. This includes the Villas @ Spring Hill, a residential subdivision and industrial uses in the subject and airport parks. Furthermore, there have been reports that Wal-Mart is planning to construct a new Super Center at the corner of Spring Hill Drive and the Suncoast Parkway. The Hernando County Airport is located on the southwest quadrant of U.S. Highway 41 and Spring Hill Drive with the industrial area primarily to the north of the airport.

The Suncoast Parkway extends from Tampa to Highway 98 in Citrus County. This toll road has been the catalyst for new development in the area. The drive time from this area into Tampa has

NEIGHBORHOOD/AREA ANALYSIS (CONTINUED)

been dramatically decreased since the completion of the Parkway. New businesses and subdivisions have been coming on line near the Parkway's exit/entrance ramps over the past few years.

The neighborhood is approximately 80% built-up and is in the growth stage of its life cycle as new construction continues to come on line. The main linkages for the area include Mariner Boulevard, U.S. Highway 41 and the Suncoast Parkway in a north/south direction and Spring Hill Drive in the east/west direction.

The industrial development in the area continues to see signs of growth. There are planned developments in the subject's immediate area including the properties to the west, north and east, plus the recently completed VFW Post. The proposed improvements on the other vacant sites include over 30,000 square feet on each site to the west of the subject and up to 50,000 square feet on the four parcels along the Suncoast Parkway. One of the lots along the Suncoast Parkway sold recently and is nearing the start of construction of a 50,000 square foot industrial building. The other three sites are available for sale at \$12.00 per square foot of land area or for a build to suit. There are several new industrial properties under construction in the airport industrial parks. These include a large development near the U.S. Military installation at the airport, the Micro Matic building which will total 50,000 square feet, and the Seating Constructors USA facility which will total 18,000 square feet. Pearson Industries is constructing a 16,200 square foot warehouse in the Corporate Airpark and Duratek is developing a 75,000 square foot manufacturing facility on 14 acres at U.S. Highway 14 and Runway Drive. Several other sites are proposed for new industrial developments. The improved industrial space in the airport market are leased between \$5.50 to \$7.00 per square foot according to brokers in the area and the rent for the land in the airport area, owned by Hernando County, is \$0.16 per square foot of land area. The market does not support a premium for dock high as Ms. Valerie Pianta of the Office of Business Development who is in charge of leasing activities stated that the rental range includes both grade level and dock high with no noted differences.

Other new developments include a 30± acre corporate park along Anderson Snow Road which will include industrial and retail uses. A new fire station will be developed near Linden Drive, Bannock Street and Carrin Road, in the subject area. Finally, 350,000 square feet of retail is proposed for Spring Hill Drive and the Suncoast Parkway including the proposed WalMart.

The general appearance of the area is average with the surrounding properties considered to be compatible uses. The area's appeal to the market is average.

Man made features that impact the market include the Hernando County Airport, roadways and buildings. One of the nuisances is the noise level when an airplane is on approach for landing or is taking off. Traffic conditions along the main roads can be congested during the high travel times. The most recent traffic count for Anderson Snow Road is 2002 where the average weekday traffic volume was 4,682 trips per day.

NEIGHBORHOOD/AREA ANALYSIS (CONTINUED)

The creation of Sgt. Lee Mills Road that connects the western and southern areas surrounding the airport to U.S. Highway 41 and Corporate Boulevard (now being extended to Spring Hill Drive), has created an additional 320± acres of land for industrial uses that is now being marketed by Hernando County for lease. Again, the lease rate for land in the airport market is \$0.16 per square foot of land area.

SUMMARY - While the national economy approaches a possible recession, the Hernando County area is continuing to see growth in all property types, including commercial, retail, industrial and residential uses. The support services and infrastructure for this growth is also coming on line in the order of new roads, utilities, and a new fire station just south of the subject area. The continued growth in the airport market includes both private party users as well as governmental users such as the U.S. Military and Coast Guard.

SITE ANALYSIS



The following description is based on our observations during the site visit, an examination of available records and the documentation provided by the property representatives and the client.

The site is currently vacant land and is proposed to be the future location of a multi building industrial development. The new local VFW is located to the east of the subject site with vacant land surrounding the site in the other directions. Residential development is located along the west side of Anderson Snow Road, a county park located to the south of the subject and the Suncoast Parkway to the east of the subject. Commercial uses are located along Spring Hill Drive to the north of the subject area.

The site can be described in more detail as follows:

(Size & Shape) - The size of the subject is 3.04 acres or 132,422.40 square feet. The site has 350 feet along the south side of Edward Noll Road, and is rectangular in shape.

(Zoning/Future Land Use) - The subject property is zoned PDP (IND) and is site plan approved for the proposed 40,450 square foot industrial development. The site plan follows this section of the report and includes a total of three buildings subdivided into eight building areas.

The future land use for the property is Planned Development.

(Utilities) - All utilities are available to the subject site and are located along the southern side of Edward Noll Road.

SITE ANALYSIS (CONTINUED)



View along Edward Noll Road



View looking West of Edward Noll Road

(Ingress/Egress) - The subject site is accessed via Edward Noll Road. The subject will have one ingress/egress point along Edward Noll Road. Edward Noll Road is a two lane street.

(Topographical Features/Influences) - The subject site is above road grade and is mostly level. The site is wooded with black jack and turkey oaks with only one larger oak noted during our site visit.



Subject Site