

Q. "Mr. Merrill admitted that the bond covenants do *not* require the appraisals and sale for "fair market value". That is, he told the BOCC one thing, but later admitted that the truth was just the opposite."

A. This statement is untrue. As I explained to the Board, the bond covenants require fair market value; in order to determine fair market value, an appraisal is the accepted approach. The bond covenant requires the opinion of an Independent Consultant which, as it relates to valuation, is typically an appraiser.

Q. "It was only thru the efforts of Elizabeth Belcher that the Bond covenants came to light. She made a Public Records request that brought the full text of the covenants forward. She sent it to me. I printed it out and gave it to Ms. Hatley, asking her the same question that she soon asked of Mike Merrill, "Where does it say appraisals and "fair market value"?"

A. Staff has responded timely and completely to all public requests for information about the bond covenants; Ms. Belcher did not have "bring the Bond covenants to light". As part of the early presentations to the Advisory Panel relevant documentation on this subject was provided to the Panel by Staff, our bond counsel made a presentation on the subject, and copies of bond counsel opinions were placed on the County's website. Following the Cone Ranch item before the Board yesterday, Ms. Hatley posed her question to me about fair market value and I asked our bond counsel, Mark Adams, to help explain to Ms. Hatley how the fair market value requirement applies in the bond resolution. Mr. Adams took as much time as Ms. Hatley needed to answer her questions. With all due respect to Ms. Hatley, she is not a bond lawyer. As I stated to the Board, all bond counsel who have served the County since the bonds were issued have agreed on the fair market value requirement. (I have attached a legal opinion of bond counsel that explains the applicable provisions of the bond covenants that require fair market value.)

Q. "The appraisals that Mike Merrill insisted were required will cost the taxpayers of Hillsborough County from \$250,000 to \$400,000 or more." (Attached is the presentation to the Advisory Panel concerning appraisal

cost estimates. My estimate is a mid-point of the projected figures in that report.)

A. My statement to the Board was that the estimated cost of appraisals is \$200,000 to \$250,000.

I hope this is helpful. The common goal in this matter, in my opinion, is to find a way to permanently preserve Cone Ranch in a manner that is legal, financially supportable to both the Water Utility and ELAPP, and is economically fair to all parties. We will continue to work toward that goal.