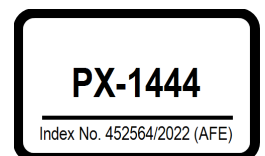


AN APPRAISAL OF
MAR-A-LAGO
LOCATED AT 1100 SOUTH OCEAN BOULEVARD,
IN THE TOWN OF PALM BEACH,
IN PALM BEACH COUNTY, FLORIDA

PREPARED FOR
MAR-A-LAGO CLUB, LLC

AS OF
JULY 11, 2007

BY
MICHAEL R. SLADE, MAI, SRA, CRE
CALLAWAY & PRICE, INC.





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September 19, 2007

Mr. Ed Russo
Trump National
900 Lamington Road
Bedminster, NJ 07921

Dear Mr. Russo:

We have made an investigation and analysis of the Mar-a-Lago Estate, located at 1100 South Ocean Boulevard, Palm Beach, Florida. This report has been prepared for our client, Mar-A-Lago Club, LLC. The intended use was to assist in establishing Market Value of a conservation easement for a possible donation. The scope of work performed is specific to the needs of the intended user and the intended use. No other use is intended, and the scope of work may not be appropriate for other uses.

In the case of the Subject Property, guidelines issued by the Internal Revenue Service require conservation and preservation easements to be appraised using the "before and after" approach, in the absence of direct sales evidence involving easement encumbered properties. The value of the property - "before considering the terms of the easement" - is compared to the value of the property - "after considering the easement". The difference in value, if any, is the value of the easement. Any reader of this report should be advised that our opinion of value, "before conservation easement" was based on the hypothetical condition that the Subject would have received all necessary approvals as of the date of appraisal for development of 11 single family lots, in addition to the continued use of the main estate as a private club at its existing location on the site. The Hypothetical Condition is defined and discussed herein.

On the "after conservation easement", we considered the Mar-a-Lago Club as it currently exists, including two buildable single family lots along Woodbridge Road.

Mr. Ed Russo
Trump National
September 19, 2007
Page Two

The Subject Property will be further described both narratively and legally within the following Self-Contained Appraisal Report. The scope of work performed included a complete analysis of the Subject Property with no omitted applicable approaches to value. A detailed scope of work description can be found in the body of this report.

As a result of our investigation and analysis of the information obtained therefrom, as well as a general knowledge of real estate valuation procedures, it is our opinion that the Market Value of the conservation easement, as of July 11, 2007, was:

EIGHTY SEVEN MILLION DOLLARS
(\$87,000,000)

A description of the property appraised, together with an explanation of the valuation procedures utilized, is contained in the body of the attached report. For your convenience, an Executive Summary follows this letter. Your attention is directed to the Limiting Conditions (especially #11-16) and underlying assumptions upon which the value conclusions are contingent.

Respectfully submitted,

CALLAWAY & PRICE, INC.



Michael R. Slade, MAI, SRA, CRE
State-Certified General Real Estate Appraiser RZ116



Niccola-L. Ellefson, MAI
State-Certified General Real Estate Appraiser RZ2096

MRS/NLE:cw/07-57825
Attachments



Executive Summary

PROPERTY APPRAISED : Mar-a-Lago.

LOCATION : 1100 South Ocean Boulevard, in the Town of Palm Beach, Florida

DATE OF VALUATION : July 11, 2007

PROPERTY DESCRIPTION

LAND : The Subject Property contains a total of 18.81 acres, according to the information provided to us. The land breakdown is as follows:

<u>Area</u>	<u>Acres</u>	<u>Sq. Ft.</u>	<u>Zoning</u>	<u>Min. Lot Size/SF</u>
Main Site Area (Intracoastal to S. Ocean Blvd.)	16.38	713,513	R-AA	60,000
East of S. Ocean Blvd. on ocean	1.05	45,770	R-A	20,000
Area along Woodbridge Road	<u>1.38</u>	<u>60,000</u>	R-A	20,000
Total	18.81	819,283		

BUILDING : See complete description of the buildings later in this report.

ZONING : RAA, Large Estate Residential, by the Town of Palm Beach on the main site, and RA, Estate Residential on both the oceanfront site and the Woodbridge Road area.

LAND USE PLAN : Estate Density Residential by the Town of Palm Beach.

HIGHEST AND BEST USE:

"Before Conservation Easement" : Continued use of the main estate for a private club, and future residential development on other areas of the site.

"After Conservation Easement" : Continued use of the entire site and all existing improvements as a private club.



VALUE INDICATIONS:

**HYPOTHETICAL MARKET VALUE
OF THE FEE SIMPLE ESTATE OF
THE SUBJECT PROPERTY
"BEFORE CONSERVATION EASEMENT"
AS OF JULY 11, 2007 : \$113,000,000**

**MARKET VALUE OF THE
FEE SIMPLE ESTATE OF
THE SUBJECT PROPERTY
"AFTER CONSERVATION EASEMENT"
AS OF JULY 11, 2007 : \$26,000,000**

**MARKET VALUE OF THE
CONSERVATION EASEMENT
AS OF JULY 11, 2007 : \$87,000,000**



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ADDENDA

- Survey
- Site Plan
- Building Layout
- Deed of Development Rights, Deed of Conservation Easement, and Exhibits
- Summary Appraisal Reports for the Lots
- Letter of Engagement
 - Qualifications:
 - Michael R. Slade, MAI, SRA, CRE
 - Niccola L. Ellefson, MAI



CERTIFICATION

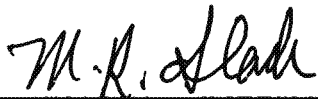
We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest or bias with respect to the parties involved.
4. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. Our compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. The analyses, opinions, and conclusion were developed, and this report was prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) and FIRREA.
8. Niccola L. Ellefson, MAI and Michael R. Slade, MAI, SRA, CRE have made a personal inspection of the property that is the subject of this report.
9. Jennifer Day provided significant real property appraisal assistance to the persons signing this certification.
10. The use of this report is subject to the requirements of the State of Florida relating to review by the Florida Real Estate Appraisal Board.
11. The reported analyses, opinions and conclusion were developed, and this report was prepared, in conformity with the requirements of the Appraisal Institute's Code of Professional Ethics and Standards of Professional Appraisal Practice, which include the Uniform Standards of Professional Appraisal Practice.



Certification

12. This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
13. I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
14. As of the date of this report, Michael R. Slade, MAI, SRA and Nicola L. Ellefson, MAI, have completed the requirements under the continuing education program of the Appraisal Institute.



Michael R. Slade, MAI, SRA, CRE
State-Certified General Real Estate Appraiser RZ116



Nicola L. Ellefson, MAI
State-Certified General Real Estate Appraiser RZ2096

MRS/NLE:cw/07-57825



LIMITING CONDITIONS

1. Unless otherwise stated, the value appearing in this appraisal represents the opinion of the Market Value or the Value Defined AS OF THE DATE SPECIFIED. Market Value of real estate is affected by national and local economic conditions and consequently will vary with future changes in such conditions.
2. The value estimated in this appraisal report is gross, without consideration given to any encumbrance, restriction or question of title, unless specifically defined.
3. This appraisal report covers only the property described and any values or rates utilized are not to be construed as applicable to any other property, however similar the properties might be.
4. It is assumed that the title to the premises is good; that the legal description is correct; that the improvements are entirely and correctly located on the property described and that there are no encroachments on this property, but no investigation or survey has been made.
5. This appraisal expresses our opinion, and employment to make this appraisal was in no way contingent upon the reporting of predetermined value or conclusion.
6. No responsibility is assumed for matters legal in nature, nor is any opinion of title rendered. In the performance of our investigation and analysis leading to the conclusions reached herein, the statements of others were relied on. No liability is assumed for the correctness of these statements.
7. Neither all nor any part of the contents of this report (especially any conclusions, the identity of the appraiser or the firm with which he is connected, or any reference to the Appraisal Institute or any of its designations) shall be disseminated to the public through advertising media, public relations media, news media, sales media or any other public means of communication without our prior written consent and approval.
8. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. The appraiser assumes no responsibility for such conditions or the engineering which might be required to discover these factors.



9. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation stachybotrys chartarum (mold), asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, was not called to the attention of, nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test for such substances or conditions. If the presence of such substances, such as asbestos, urea formaldehyde foam insulation, or other hazardous substances or environmental conditions, may affect the value of the property, the value estimated is predicated on the assumption that there is no such proximity thereto that would cause a loss in value. We are unaware of very wet conditions that may have existed for days or weeks which are required to grow mold. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them.
10. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. **The Subject Property predates this act.** The appraisers have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since the appraisers have no direct evidence relating to this issue, possible noncompliance with the requirements of ADA in estimating the value of the property has not been considered. If this item is of concern, the client is advised to seek the services of an expert in these matters.
11. The purpose of this appraisal and consultation was to provide our client indications of the Hypothetical Market Value of the Subject Property, before donation of the conservation easement on areas of the site with the potential to be developed with 11 single family lots. This is not to be confused with the existing Deed of Conservation already in place to maintain the *"Critical Features"* of Mar-a-Lago, including the main house, a number of rooms therein, certain surrounding structures and improvements and vistas from the Mansion, in its present state and condition in perpetuity. This hypothetical value estimate was made after an analysis of the market conditions that were present as of the date the inspection was made. The appraisers can not be held responsible for unforeseeable events that may alter market conditions subsequent to the effective date of the appraisal.
12. The value of the proposed 11-lots is based upon a site plan prepared by Gene Lawrence, The Lawrence Group Architects, Job Ref. "Mar-a-Lago", dated April 27, 2007. We have relied upon this site plan in our analysis, and it appears that it would comply with the Town of Palm Beach's zoning code. Subdivision



of the property is not prohibited by the existing Deed of Conservation on Mar-a-Lago Estate (a copy of which can be found in the Addenda).

13. It is an assumption of this report (and our opinion) that if a carefully crafted site plan sensitive to the historic features were submitted, giving the Town of Palm Beach and the National Historic Trust certainty about the future preservation of the "critical features" (discussed above), and as long as such development complied with the existing zoning code, the proposed 11 lot subdivision could be approved. This Hypothetical Condition is considered reasonable based on information obtained during our research, where we became aware that the Subject Property had been approved in 1985 for a nine-lot subdivision in conjunction with the existing mansion. Those approvals lapsed. In 1992, an application for a nine-lot subdivision was denied by the Town of Palm Beach Town Council primarily because the plan submitted failed to adequately address a very specific preservation plan of Mar-a-Lago's critical features.
14. Construction of additional buildings on the proposed 11 lots is conditional upon the approval of the National Trust for Historic Preservation, the grantee of the existing easement. It is an assumption of this report that approval could be obtained on those portions of the property that are not attached to, a part of, or contained within the Critical Features. However, if such approvals were not granted, the value conclusions reported herein would change substantially.
15. All necessary infrastructure is in place on the property. We have assumed that "as approved" the 11-lots would be immediately saleable, and in our opinion a prospective date of value is not required.
16. For the purposes of the appraisal, we did not contact the Town of Palm Beach or discuss the potential redevelopment of the property with the Town. The client expressed concern about whether the Town would have been able to move beyond their natural bias and have a discussion based on thoughtful and impartial consideration. Further, it was our opinion that the hypothetical condition would likely have been confusing and may have spawned heated discussion and complicated debate where it is not warranted given the purpose of the appraisal.

We did have productive discussions with Gene Lawrence, of the Lawrence Group Architects, who had the perspective of being familiar with the Palm Beach market, and was fair-minded and unbiased about the realistic possibility of obtaining the approvals for redevelopment. The accuracy of the information and opinions provided by Mr. Lawrence were determined to be valid when we confirmed that the existing zoning would allow the development, and that subdivision of the property is not prohibited by the zoning.



MAR-A-LAGO MAIN HOUSE



VIEW LOOKING WEST TOWARDS LAKE



SUBJECT PROPERTY ALONG OCEAN BLVD



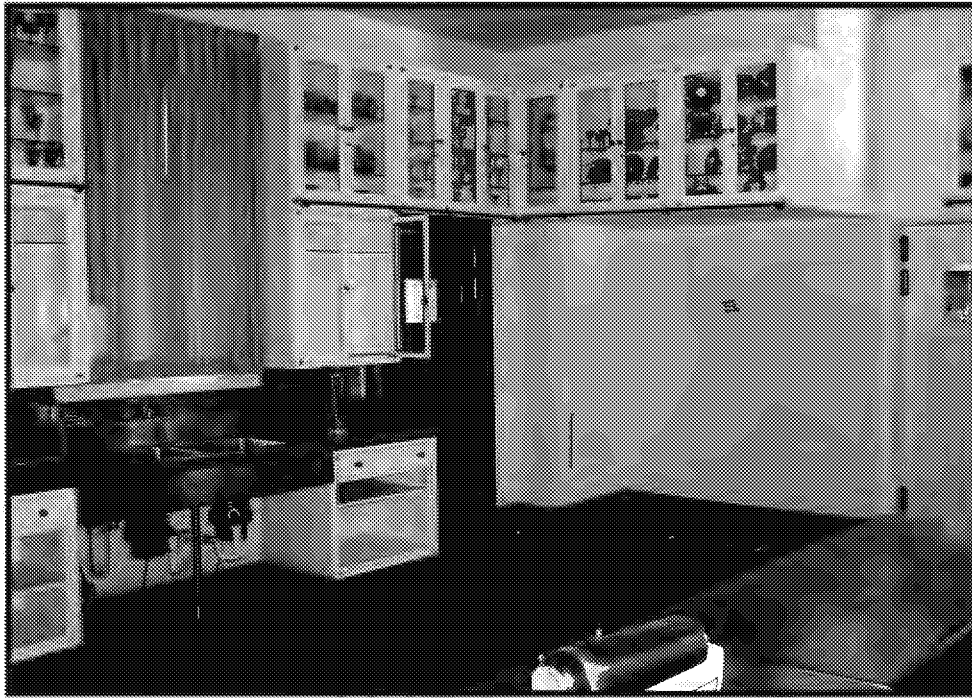
VIEW OF GROUNDS AND LAKE VIEWS



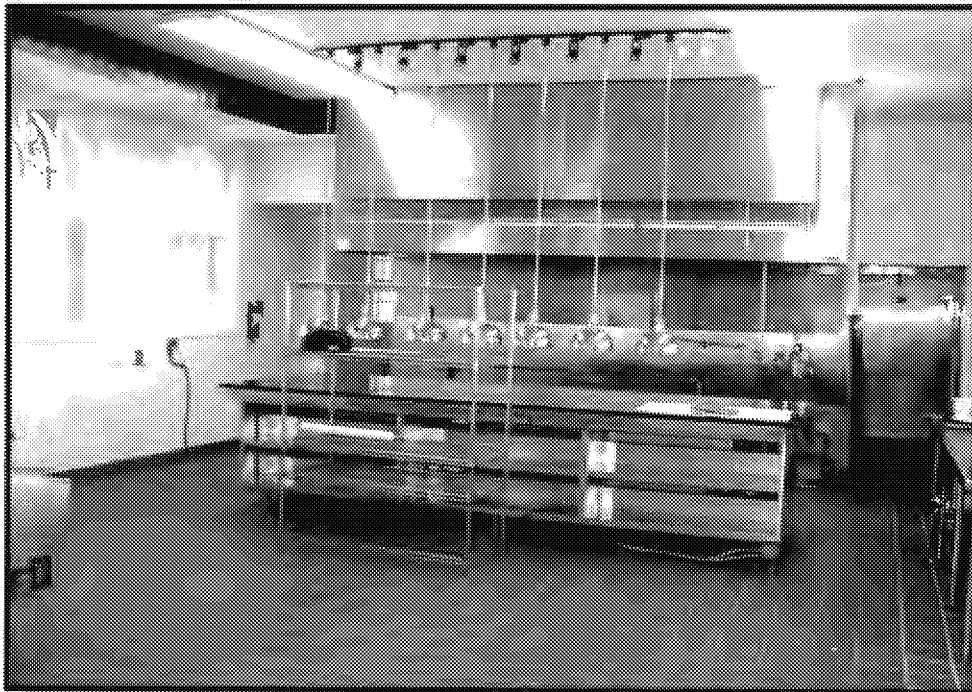
GROUNDS AND BUILDINGS



ENTRANCE FROM SOUTH OCEAN BLVD



KITCHEN



KITCHEN



INTERIOR FINISHES



TYPICAL INTERIOR



INTERIOR GUEST ROOM



TYPICAL BATHROOM



INTERIOR GUEST ROOM



DINING ROOM



BAR AREA



GOLD ROOM.



INTERIOR GUEST ROOM



EXTERIOR WALKWAYS AND LANDSCAPING



LOOKING EAST TOWARDS OCEAN AND BEACH CLUB POOL



SOUTHEAST AREA OF SUBJECT



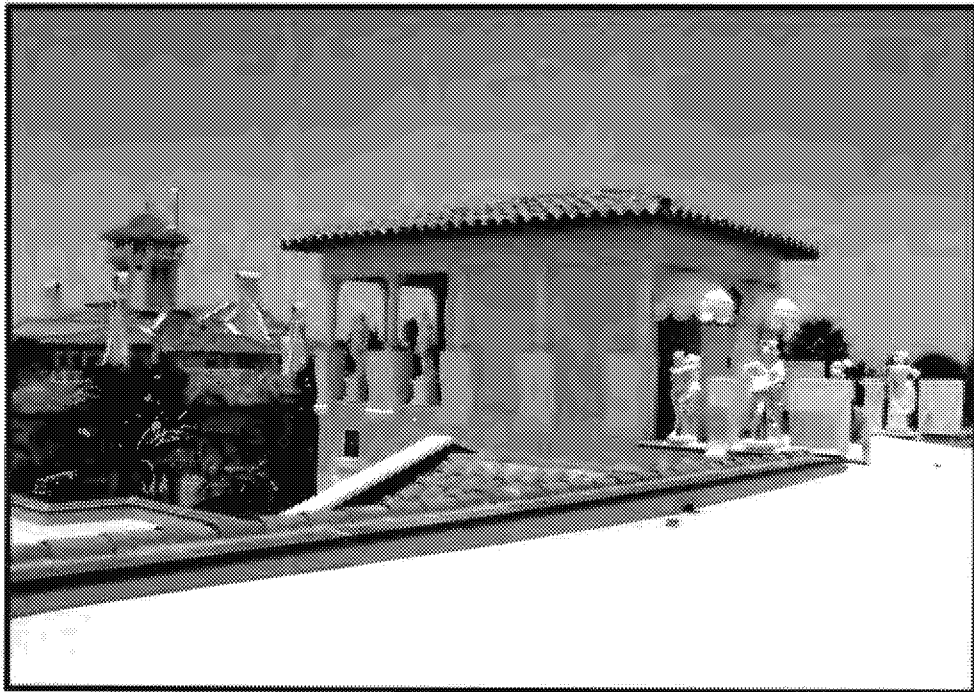
NORTHEAST AREA OF SUBJECT



GROUNDS AND BUILDINGS



GRAND BALLROOM CONSTRUCTED IN 2005



AT TOP OF GRAND BALLROOM BUILDING



VIEW LOOKING WEST ALONG SOUTH OCEAN BLVD.



VIEW LOOKING AT CURVE WHERE SOUTHERN BOULEVARD
BECOMES SOUTH OCEAN BLVD.



BEACH CLUB AND POOL.



SEAWALL ON OCEAN.



DEFINITION OF THE APPRAISAL PROBLEM

Purpose, Date of Value, and Interest Appraised

The purpose of this investigation and analysis was to provide our opinion of the Market Value of a conservation easement (a restriction that limits the future use of a property to preservation, conservation, or wildlife habitat) as of July 11, 2007.

Intended Use and User of Appraisal

This report has been prepared for our client, Mar-A-Lago Club, LLC. The intended use was to assist in establishing the Market Value of a conservation easement for a possible donation. The scope of work performed is specific to the needs of the intended user and the intended use. No other use is intended, and the scope of work may not be appropriate for other uses.

Legal Description

Lengthy metes and bounds legal description in Addenda.

Source: Client

Market Value

Section 1110 of Financial Institutions Reform, Recovery, and Enforcement Act's (FIRREA) instructions to the Office of Thrift Supervision uses the definition of Market Value below as developed by the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation, and adopted by the Appraisal Foundation's Uniform Standards of Professional Appraisal Practice.

"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 are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- a. buyer and seller are typically motivated;
- b. both parties are well informed or well advised, and acting in what they consider their own best interests;
- c. a reasonable time is allowed for exposure in the open market;
- d. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and



Definition of the Appraisal Problem

- e. 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."

Fee Simple Estate

The Dictionary of Real Estate Appraisal, Fourth Edition 2002, by the Appraisal Institute, defines Fee Simple Estate on page 113 as follows:

"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."

Definition of Conservation Easement

The statutory foundations of conservation easements are set out in Section 170(h). Section 170(h) of the IRS code defines a conservation easement as a qualified conservation contribution, the requirement of which is a contribution of a qualified real property interest to a qualified organization, exclusively for conservation purposes. By contributing the legal right to further develop one's property beyond its current use (i.e., a conservation easement) to a qualified charity, the landowner can keep his or her land, continue operating the land as in the past, and:

- Receive an income tax deduction equal to the Market Value of the contributed conservation easement.
- Receive an estate tax benefit in the form of an exclusion of the Market Value of the donated easement from the landowner's gross estate, thereby reducing the value of his taxable estate.
- Depending on the jurisdiction, receive a reduction in property taxes.
- Retain the right to sell or transfer the property subject to its conservation easement restrictions.

The tax savings have been so substantial that gifts of conservation easements have grown dramatically.

Hypothetical Conditions or Extra Ordinary Assumption

Because the proposed 11-lot subdivision is not approved as of the date of appraisal, the Market Value Estimate "before conservation easement" is based on a Hypothetical Condition. The Dictionary of Real Estate Appraisal, Fourth Edition 2002, by the Appraisal Institute, defines Hypothetical Condition on page 141 as follows:

"That which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts



Definition of the Appraisal Problem

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 the 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.



SCOPE OF WORK

According to the 12th Edition of The Appraisal of Real Estate, the Scope of Work is the amount and type of information researched and the analysis applied in an appraisal assignment. Generally this includes a detailed outline of the steps performed to complete the appraisal assignment and more importantly any **steps that were not performed** per request of the client. In the case of the Subject Property, all appropriate valuation techniques were performed. Located below is a summary of the Scope of Work performed.

The first step in the appraisal process involved defining the appraisal problem which included the purpose and date of value, determining the interest being appraised, intended use and user of the appraisal, and identifying the real estate (legal description). This step also determined if the appraisal were subject to any extraordinary assumptions or hypothetical conditions.

The next step involved the inspection of the Subject Property in June 2007 by Michael R. Slade, MAI, SRA, CRE, Niccola L. Ellefson, MAI, and Jennifer Day, SRA. The inspection allowed us to understand the physical components of the Subject Property. In addition to the inspection of the Subject Property, we also began the data-collection process and, subsequently, an analysis of the factors that affect the market value of the Subject Property, including a market area analysis, neighborhood analysis, and property data analysis. We gathered and reviewed information from the Palm Beach County Property Appraiser's Office, the Town of Palm Beach Zoning Department, and interviews with the property owner to understand and describe the Subject Property.

The third step in the process was to determine the Highest and Best Use of the Subject Property as vacant and as improved. Through the Highest and Best Use analysis, we determined the issues that have an effect on the final opinion of value. To determine the Highest and Best Use, we relied on information obtained from the data-collection process.

The fourth step was the application of the appropriate approaches to value. *No approaches were specifically omitted from this appraisal by the client.*

For the purposes of the appraisal, we did not contact the Town of Palm Beach or discuss the potential redevelopment of the property with the Town. The client expressed concern about whether the Town would have been able to move beyond their natural bias and have a discussion based on thoughtful and impartial consideration. Further, it was our opinion that the hypothetical condition would likely have been confusing and may have spawned heated discussion and complicated debate where it is not warranted at this time.

We did have productive discussions with Gene Lawrence, of the Lawrence Group Architects, who had the perspective of being familiar with the Palm Beach market, and was fair-minded and enlightened about the realistic possibility of obtaining the



approvals for redevelopment. The accuracy of the information and opinions provided by Mr. Lawrence were determined to be valid when we confirmed that the existing zoning would allow the development, and that subdivision of the property is not prohibited by the zoning.

Basically, there are two valuation methodologies to determine the Market Value of a conservation easement. First is the Comparable Sales Approach. Under the Comparable Sales Approach, the market value of a conservation easement is determined based on a comparison of the attributes of the subject conservation easement with the attributes of comparable conservation easements that have recently been sold in arm's-length transactions close to the date of the conservation easement donation. Attributes to consider include size of property, location, desirability, development potential, and the development rights contributed. The difficulty of determining the market value of a conservation easement through the comparable sales approach is that (1) real property by its very nature is unique, and the conservation easement granted is more unique than the underlying property; and (2) data on arm's-length conservation easement sales are extremely rare.

The second, and most commonly used, valuation approach for conservation easements is the "before-and-after" approach. Under the before-and-after approach, the market value of a conservation easement is the difference between the highest-and-best use and the allowable use under the conservation easement agreement. Typically, the allowable use is the current use of the property. Highest-and-best use is defined as the reasonable and probable use that supports the highest present value. The highest-and-best use must take into account not only the current use of the property, but also an objective assessment of how immediate or remote the likelihood is that the property, absent the easement, would be developable; as well as the effect from zoning, conservation, or historic preservation laws that already restrict the property's potential highest-and-best use.

The Subject may be appropriately be used for conservation easement donation as there exists a significant difference between the realistic, potential uses of the property (its highest and best use) and its current use. We have made investigations at the local and national levels for luxury mansions used for private social clubs, and have found no sales of properties protected by preservation easements than can be appropriately compared to the Subject Property. Therefore, the "before and after" approach to value has been used.

In valuing the Mar-a-Lago Club, "before and after" considering the terms of the easement, a "sales comparison" was utilized in determining pricing of private club memberships. *The sellout of remaining memberships*, as well as the operating income and expenses of the social club, is utilized in the Discounted Cash Flow Analysis for valuing the private club. It should be mentioned that our value reflects the remaining 68 memberships to be sold. The club has already sold 86% of the



memberships; therefore the majority of the value of the club memberships has already been accrued to the developer.

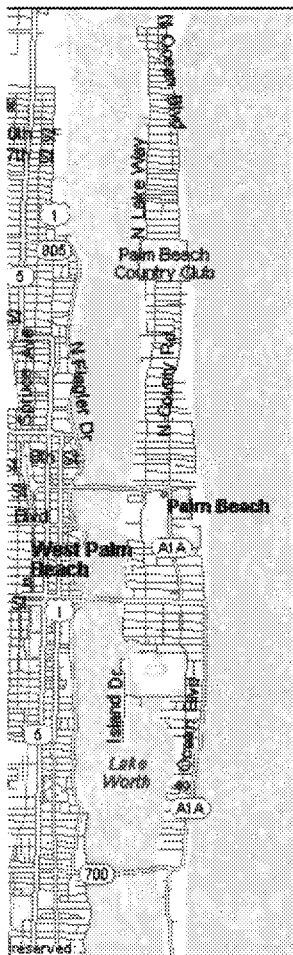
The Discounted Sellout Analysis, which is a specialized form of the Income Capitalization Approach, was applicable in estimating the Hypothetical Market Value of the Subject. This procedure involves estimating the retail Market Value of the individual lots that will comprise the proposed development based on market data in the area. The projected income from the sale of the individual lots is then discounted over the anticipated absorption period at an appropriate discount rate to account for the time value of money and the opportunity cost of capital. The result of this analysis provided an indication of the Hypothetical Market Value for the Subject, "before conservation easement".

The authenticity and reliability of representations made by others in the data gathering process are not warranted. We have taken due care in attempting to verify the data utilized in this analysis. However, the analysis of the data and conclusions derived therefrom are based on overall patterns in the marketplace rather than on specific representations.



NEIGHBORHOOD DATA

The relationship of the Subject Property with surrounding properties forms the basis of neighborhood analysis. *The 12th Edition of the Appraisal of Real Estate* states: "Social, economic, governmental, and environmental forces influence property values in the vicinity of a subject property. As a result, they affect the value of the subject property. Although physical boundaries may be drawn, the most important boundaries are those that identify factors influencing property values. The area of influence, commonly called a *neighborhood*, can be defined as a group of complementary land uses."



The municipality of Palm Beach is located on a coastal island, east of the mainland; having a width ranging from 500 feet to three-quarters of a mile and a length of approximately twelve miles. The island is separated from the mainland by Lake Worth, (the Intracoastal Waterway) a saltwater lagoon approximately three-fourths of a mile wide.

Four bridges connect the island to the mainland. The Flagler Memorial Bridge, the northernmost bridge, together with the Royal Park Bridge, service the downtown area of Palm Beach, connecting with major east/west connectors in West Palm Beach. The current Royal Park Bridge is new. The Southern Boulevard Bridge is located approximately two miles south of the downtown area. The Lake Avenue Bridge, approximately 4 miles south, connects with the City of Lake Worth.

The Town of Palm Beach is world renowned for its European atmosphere and its excellent shopping and dining facilities. Shopping is provided in several areas, the most famous of which is Worth Avenue. Worth Avenue is a three block long shopping district with the majority of the buildings having a Spanish style architecture made famous by Addison Mizner, a well known architect of the early 1900's. Royal Palm Way connects to the mainland (becoming Okeechobee Boulevard once over the bridge) and has become known in recent years as "bankers' row." Many of the country's biggest names in

banking and securities are represented on the street.

The stretch from Southern Boulevard, north to Hammon Avenue, is exclusively residential except for the Charlie's Crab Restaurant across the ocean at Hammon Avenue. Due to the lower density, this area of Palm Beach predominantly consists of larger waterfront estates

Palm Beach has strong governmental controls which have affected orderly growth in the past. The demand for real estate in Palm Beach has been strong since many



building sites are acquired via the purchase and demolition of older homes. Values are currently considered to be stable, after several years of appreciation. Overall market appeal and employment stability are good.

Palm Beach is one of the wealthiest communities in the U.S. and is the winter home of some of the world's rich and famous. Its permanent and seasonal residents include a virtual "Who's Who" of the Forbes 400. These extraordinary incomes explain in large measure how a small population can support a large commercial base.

Property values have risen dramatically in the past decade with little evidence of stabilizing. Property appreciation rates in Palm Beach have ranged from 1% to 3% per month in the past decade. The reason for this is essentially that the number of millionaires has also increased dramatically in the past decade as well, while the availability of land in Palm Beach remains constant.

Of recent interest is the Royal Poinciana Plaza, located at the southwest corner of Royal Poinciana Way and Cocoanut Road. Apparently, the owner has entered into an agreement with a developer to amend the 12-acre property's zoning and land use plan to allow redevelopment with a mixed-use (commercial and residential), planned unit development. In October 2004, the partners conducted a series of public planning forums to seek input as to the public's views of the site's best uses. A master plan will be presented to the Town of Palm Beach Zoning Commission and the Town Council.

Conclusion

Palm Beach is a wealthy older community that is virtually 100% developed. The municipality has strong governmental controls, which have resulted in orderly growth in the past. The municipal government and residents have a record of opposing further growth of any kind. Restoration of existing commercial establishments occurs on a regular basis and is expected to continue. This does not offset the limited supply of new commercial space brought about by highly restrictive zoning and development ordinances and the lack of developable land. Banks, restaurants, upscale retailers, fashion houses, design firms and other businesses are likely to continue to be in the market for properties in this most desirable of locations.

As noted, Palm Beach is one of the world's wealthiest communities. Commercial space in the town is a fixed commodity with demand limited only by the growth of the world's wealth. This area has competition locally, in the City of West Palm Beach. However, many financial and investment firms require a Palm Beach location and address. Because restrictive zoning discourages the addition of more office space, occupancy is likely to remain relatively high, with long term upward pressure on rents and property values reasonably probable, in our opinion

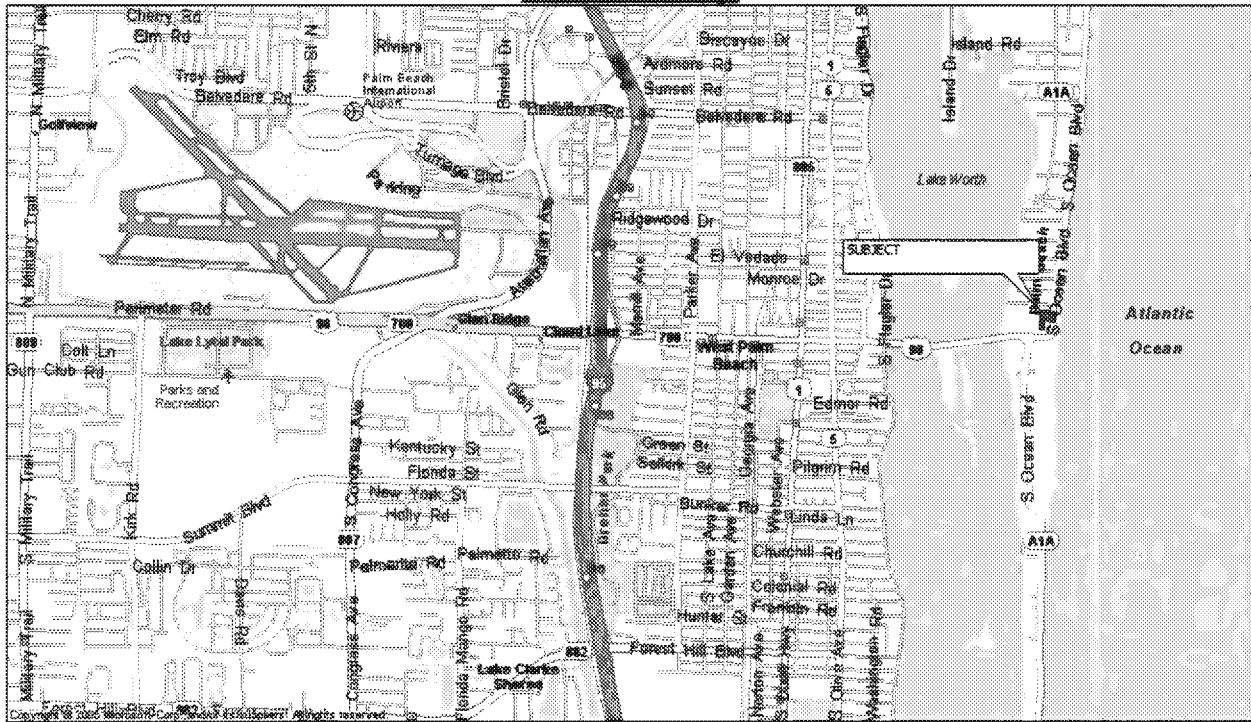


PROPERTY DATA

Location

The Subject Property is located on the east and west sides of South Ocean Boulevard, north of Southern Boulevard, in Palm Beach, Florida.

Location Map



The Palm Beach International Airport (PBI) is located approximately three miles west and 1/2 mile south of the Subject's location. According to Diane Gullo with the Noise Abatement Commission, the flight pattern over Palm Beach is from Kings Road (just north of Southern Boulevard) to Via Bellaria Avenue. Therefore, the Subject lies within the flight pattern and there is air traffic over the property. Peak departure times are between 7:00 and 8:00 am, 11:30 to 1:30 pm, and 4:00 to 6:00 pm. At the time of our inspection (1:00 pm) there was no audible commercial air traffic. While the location of PBI is considered an adverse factor for the Subject Property, this external influence has been present for decades and there appears to be a general market acceptance for the properties directly under the flight path. This is evidenced by the many recent non-waterfront sales in the millions of dollars.



The Subject's 18.81-acre site is situated between the Atlantic Ocean and Lake Worth (Intracoastal Waterway) on the Island of Palm Beach. Across the southwest lawn, a Chattahoochee stone path leads to a tunnel under South Ocean Boulevard which opens onto the property's Beach Club. The Beach Club property enjoys approximately 359' of ocean frontage and 539' of lake (i.e., Intracoastal) frontage. Mar-a-Lago is Latin for "Sea to Lake". The Subject aerial map is shown below:

Aerial Map



Zoning

The components of the Subject Property indicated the following zoning:

<u>Area</u>	<u>Acres</u>	<u>Sq. Ft.</u>	<u>Zoning</u>	<u>Min. Lot Size/SF</u>
Main Site Area (Intracoastal to S. Ocean Blvd.)	16.38	713,513	R-AA	60,000
East of S. Ocean Blvd. on ocean	1.05	45,770	R-A	20,000
Area along Woodbridge Road	1.38	60,000	R-A	20,000
Total	18.81	819,283		

R-AA, Large Estate Residential, by the Town of Palm Beach: The purpose of this district is to provide for single family estate residential development of spacious character. The minimum lot size within this zoning category is 60,000 square feet, with a minimum width of 150 feet and a minimum depth of 150 feet. The main parcel conforms to the R-AA zoning parameters, with one exception. The maximum building height is 30' in this district, with an observation tower allowed, but not to contain habitable space above the second story. At its center, the Subject building contains a 75-foot tower that has habitable rooms above the second story. Because Mar-a-Lago is a designated landmark, the code provides a special exception and the tower could be restored if it was substantially damaged, such as in a hurricane. The Subject is therefore a legally nonconforming use.



R-A, Estate Residential: This district requires a minimum lot size of 20,000 square feet with a minimum lot width of 125 feet and a minimum depth of 150 feet. The maximum building height is 25 feet, or two stories. North of Southern Boulevard, no structure may be constructed closer than 50 feet from the designated ocean bulkhead line unless an ocean bulkhead exists or is constructed.

11-Lot Subdivision: Based on our conversations with Gene Lawrence, of Lawrence Group Architects, Job Ref. "Mar-a-Lago", dated April 27, 2007, who prepared the proposed site plan for an 11-lot subdivision, the proposed lots are legal conforming lots under their existing zoning designations. One of the beach front lots is slightly smaller than 20,000 square feet (with 19,488 square feet) and would require a special exception with site plan review.

Town of Palm Beach Landmark Status

Mar-a-Lago was designated July 11, 1979 as a Historic Landmark by the Town of Palm Beach by the Landmark Preservation Committee. Although the Landmark criteria/code has been slightly changed since 1980, the current criteria/code was re-written along the same basis and reads as follows:

"Sec. 16-38. Designation of landmarks and landmark sites."

A landmark or landmark site shall meet at least one of the following criteria:

- a) Exemplifies or reflects the broad cultural, political, economic or social history of the nation, state, county or town.
- b) Is identified with historic personages or with important events in national, state or local history.
- c) Embodies distinguishing characteristics of an architectural type or is a specimen inherently valuable for the study of a period, style, method of construction or use of indigenous materials or craftsmanship.
- d) Is representative of the notable work of a master builder, designer or architect whose individual ability has been recognized or who influenced his age. (Ord. No. 2-84 and 1, 3-1-84).

Mar-a-Lago is architecturally significant and is one of Palm Beach's great houses. It was owned by or visited by many distinguished Americans and is, therefore, important in American Cultural history. Landmark homes are limited to the extent of renovations and additions, and are subject to approval by the Landmark Commission.

Site Size and Shape

Site of main residence: The site has access and 1,160 feet of frontage along Southern Boulevard. The front, or east side of the main property, is readily accessible from South Ocean Boulevard via the main entrance and service drive.



The service entrance is along Southern Boulevard, which extends along the Subject's southern boundary. The South Bridge is approximately two minutes drive from the Subject, and this bridge provides access to the mainland. The main site is irregular in shape with 616.8 front feet on the Intracoastal Waterway; 1,134.10 feet along the north lot line; 581 feet along the west lot line on South Ocean Boulevard; and, 1,160 feet along the south lot line. Based on these dimensions, the site contains approximately 16.38 acres.

Oceanfront site: The Subject property is bisected by South Ocean Boulevard. The oceanfront site measures approximately 127.5 feet east to west, and approximately 359 feet north to south. The site has 359 feet of frontage along the Atlantic Ocean, and frontage along South Ocean Boulevard. The oceanfront site contains approximately 1.05 acres.

Woodbridge Road Lots: The land along the south side of Woodbridge Road, west of South Ocean Boulevard and north of the main parcel is rectangular in shape with approximately 1.38 acres. The land has access and frontage along South Ocean Boulevard and Woodbridge Road. The lots measure approximately 160' x 127' (subject to a survey). The lots are currently improved with older residences (built in 1953 and 1974) which do not represent the Highest and Best Use of the property.

In summary, the total site size is as follows:

<u>Acres</u>	<u>Sq. Ft.</u>
16.38	713,513
1.05	45,770
<u>1.38</u>	<u>60,000</u>
18.81	819,283

Utilities

All utilities are available to the Subject Property with sewer and water provided by the Town of Palm Beach, telephone service by BellSouth and electricity from FPL.

Topography

The terrain of the site is sloping from east to west. The South Ocean Boulevard is above the grade of the property along the dune line. Along the west side of the site is a bulkhead along the Intracoastal Waterway. A concrete seawall is found along the ocean parcel. We have not commissioned or conducted any soil or subsoil studies. However, based on the existence of the Subject buildings, as well as neighboring structures, the soil load bearing qualities appear adequate. Based on our visual inspection, some fill would be required for proposed new construction especially at the western area of the property.



Census Tract

35.02.

Flood Hazard Zone

The Subject lies within Flood Zones "B", "C" and "A-7", according to the Flood Insurance Rate Map (Panel Number 12022 00003C) dated September 30, 1982. The main house lies in Flood Zone "C", areas of minimal flooding where flood insurance is not required. There is a small section in Flood Zone "B", areas between limits of the 100-year flood and 500-year flood; no floor insurance is required. The remainder of the site to the west of the main house (where the tennis courts, out buildings, etc. are located) lies in Zone "A7", areas of 100-year flood; base flood elevations and flood hazard factors determined. The "A7" zone requires flood insurance.

Easements and Encumbrances

Typical utility easements exist, and no detrimental easements were apparent. The parcel benefits from an access easement via a tunnel and across adjacent property to the oceanfront lot. A preservation and conservation easement existing on the property is fully discussed later in this report.

Assessed Value and Taxes - 2006

ASSESSED VALUE AND TAXES - 2006				
Parcel Number:	Land Value	Imprvmt. Value	Total Assessment	Tax Burden
<u>Main Site:</u>				
50-43-43-35-00-002-0390	N/A	N/A	\$18,500,000	\$364,023
<u>Woodbridge Road Lots:</u>				
50-43-43-35-05-000-0211	N/A	N/A	\$4,663,199	\$86,057
50-43-43-35-05-000-0202	N/A	N/A	\$2,209,370	\$40,779
50-43-43-35-05-000-0203	\$75,000	\$0	<u>\$75,000</u>	<u>\$1,279</u>
TOTALS	N/A	N/A	\$25,447,569	\$492,138

Note: PBCPAO did not separately allocate land & bldg. on the improved areas of the property.

57825



Concurrency

In 1985, the Florida Legislature enacted the Local Government Comprehensive Planning and Land Development Regional Act (Chapter 163, Part II, Florida Statutes), commonly referred to as "The Growth Management Act".

Pursuant to Section 163.3177(10)(h), F.S., "it is the intent of the Legislature that public facilities and services needed to support development shall be available concurrent with the impacts of such development." From this statement, the term "concurrency" was derived, and is commonly used to refer to the above act and its requirements.

The basis of the concurrency concept is Rule 9J-5.0055 of the Florida Administrative Code, which states that:

"To ensure that facilities and services needed to support development are available concurrent with the impacts of such development, a local government must adopt a concurrency management system. Prior to the issuance of a development order or development permit, the concurrency management system must ensure that the adopted level of service standards required for roads, potable water, sanitary sewer, solid waste, drainage, parks and recreation, and mass transit, if applicable, will be maintained."

Since the Subject is substantially improved with various structures, and is in a well established area with existing infrastructure in place, concurrency is not an issue (nor is it anticipated to be an issue for the proposed 11-lot subdivision as proposed).

Property History

It should be noted that this office has not performed a title search, nor has a title search been provided. According to the Palm Beach County Property Appraiser's Office, Donald J. Trump purchased the property from the Post Foundation in December 1985 for \$8,000,000, including furnishings and decorative arts objects estimated at \$3,000,000. At the time of purchase, the estate had been vacant and essentially unoccupied for approximately 12 years. Donald J. Trump transferred the property in March 1995 for \$12,000,000 to The Mar-a-Lago Club (the current owner of record). This inter-company transfer is recorded in OR Book 8691 Page 822.

During our research, we became aware that the Subject Property had been approved in 1985 for a nine-lot subdivision in conjunction with the existing mansion. Those approvals lapsed. In 1992, an application for a nine-lot subdivision was denied by the Town of Palm Beach Town Council primarily because the plan submitted failed to adequately address a very specific preservation plan of Mar-a-Lago. Subsequently, in 1993, the Town of Palm Beach entered into a Declaration of Use Agreement with the current owner permitting the use of the property as a



private social club, a Special Exception Use in Palm Beach. This agreement was recorded in 1995, after the recording of the easement agreement.

Preservation and Conservation Easement

Mar-a-Lago was placed on the National Register of Historic Places in 1972 by an Act of Congress, and was designated a National Historic Landmark in 1979. Until her death in 1973, Mrs. Post used the estate as her private home, providing a haven for many notable dignitaries. After her death, the estate was transferred by Mrs. Post's will to the federal government for use as a diplomatic/presidential retreat. Ten years later, due to maintenance and security concerns due to being directly below the flight path of the Palm Beach International Airport, the government conferred title of Mar-a-Lago back to the Post Foundation.

During 1995, the National Trust for Historic Preservation accepted a preservation and conservation easement on the property. By any well known and objective criteria, Mar-a-Lago, buildings and grounds, qualifies as an important local, regional, and national landmark. It is the last remaining Palm Beach estate still containing its buildings and land in almost identical form as its original conception. With the granting of easements to the National Trust for Historic Preservation, The Mar-a-Lago Club carries with it a built in constituency that ensures its stewardship into the future.



DESCRIPTION OF SITE AND BUILDING IMPROVEMENTS

The Mar-a-Lago Estate was built between 1923-1927 of the finest materials, detailing, and craftsmanship. It is considered one of America's most elaborate, impressive, and recognizable mansions. Built by Marjorie Merriweather Post and E.F. Hutton, and architects Joseph Urban of New York and Marion Sims Wyeth of Palm Beach, Mar-a-Lago is a Mediterranean-style villa, sprawled around a 75-foot tower that affords magnificent views in all directions for miles. The house is crescent-shaped and basically two floors and a full basement. However, within the two floors are different levels with circular stairs providing access to these various levels.

The 114-room structure is hurricane-resistant, anchored by concrete and steel to a coral reef. It is one of the first houses in Florida constructed of stone. Boatloads of Dorian stone were brought from Genoa, Italy for construction of the exterior walls, arches, and some of the interior. Upon close examination, tiny seashells and fossils can be seen in the distinctive stone. The predominant use of Old Spanish Tiles throughout is one of the distinctive features of the estate. Mrs. Post acquired approximately 36,000 such tiles, some dating back to the 15th century. Parrots, monkeys, and motifs are still preserved on the premises. Ironwork was cast and wrought in West Palm Beach, and the fine old cypress wood for doors, beams, and other uses was purchased locally. Approximately 20,000 Cuban roofing tiles were used on the roofs, and 2,200 square feet of black and white marble from an old castle in Cuba are used for the dining room floor.

The Estate's important features are described below.

Entrance Hall

Up stone steps, through a 350-pound iron and glass door, is the Entrance Hall. The door is so well-balanced that one person can easily open and close it. The entrance hall features ten colored diamond shaped shields depicting the Post, Hutton, and Merriweather coats of arms. Throughout the estate are 36,000 15th Century Spanish tiles, of assorted and multicolored patterns. Some are embossed PLVS/VLTRA, which is Latin for "beyond the ultimate" and are the oldest of all tiles used in the house.

16th Century Roman marble buses of Cicero and Antonius Pius, stenciled and beamed ceilings, and 68 carved and gilded cherubs are found at the entrance hall to Mar-a-Lago.

The Grand Salon (or Living Room)

This room covers 1,800 square feet, with a 42' ceiling height made of gold embossed sunbursts surrounding by feathered wings (estimated value \$150,000). A Venice sculptor and his son toiled for three years on the ceiling, which is a replica of the Thousand Wing Ceiling at the Galleria Dell' Accademia in Venice. The focal



Description of Site and Building Improvements

point is the huge arched window facing the ocean. It is edged with iron grillwork, set into masonry, and bordered with carved pelicans. From this room, four steps lead to a raised landing with a view of the ocean. This spot, where three tables are set, is a choice location for Mar-a-Lago diners.

From the landing, an iron spiral staircase leads to an overhead hallway with high alcoves, opening to the Grand Salon. Huge 18th century Venetian silk tapestries hang from the walls.

The Bar (previously the Library)

The bar is for Mar-a-Lago Club guests and has walnut walls bought from an English estate, dark hardwood furniture and brocaded upholstery. The room is full of Russian artwork and treasures from the Kremlin.

The Tea House

A loggia, called the Monkey Loggia for its stone-carved monkeys, leads from the Grand Salon to the Tea House, which is popular for small luncheons, dinners, and receptions. It is a framed outdoor patio, with a circular wall, windows, and a fabric, tent-like roof.

The Dining Room

Floor-to-ceiling canvasses on every wall replicate the frescoes at the Chigi Palace in Rome. Italian artisans traveled to Florida to paint them. The floor is black and white marble from a Cuban castle.

The Old Ballroom

The 1,500 square foot dance pavilion includes a small stage at the west end and a capacity of about 200 people. It hosts lectures, wedding receptions, and small parties. The original hardwood floor remains; a blend of oak, maple and cherry.

The Grand Ballroom

The construction of the \$35 million Grand Ballroom in 2002 added to the appeal of the club, and this 18,000 square foot facility is reportedly effectively competing against the Breakers of Palm Beach for events. It is the largest ballroom in Palm Beach. The interior is in the style of Versailles, in a Louis XIV gold and crystal finish, with huge crystal chandeliers and floor-to-ceiling mirrors on one wall. The exterior was designed in the Spanish / Mediterranean style to conform to the exterior of the house. In a new building adjacent to the ballroom is a complementary state-of-the-art kitchen.



Description of Site and Building Improvements

The Sleeping Beauty Suite

This room is a nursery, sitting room, nanny's room, bath and oval bedroom. The fireplace in this room has a beehive design covered by plaster rose vines that grow from the fireplace, over the walls around the room and onto the ceiling. The sculptors built up plaster and then carved it back, creating leaves, blossoms, and stems. Two plaster carvings are on the fireplace, depicting a castle scene and a prince kissing Sleeping Beauty.

The Bedrooms

The estate has 114 total rooms, of which many are now bedrooms and baths which are rented by the club to guests. Each of the rooms has a theme, and each is as unique and special as the rest of the estate. Each is cooled by individual self-contained, wall mounted HVAC units. The club is permitted by the Town of Palm Beach to have nine guest suites, and each has an average of three to four bedrooms. Therefore, there are approximately 32 bedrooms/baths for guests.

One of the favorite guest rooms is the Spanish Room with multicolored tile insets in the walls, and a multicolored mosaic tiled hooded fireplace with nine miniature arched cloisters, each housing a colored porcelain figurine. The ceiling is beamed with molded panels, gilt, red, and black in heraldic motif. A chandelier, metal with crystal drops centers the room. The bathroom includes a mechanical scale with footpad built into the floor and dial built into the wall. The floor is clay tile. There are eight tiled arches in the room, and 10 single sconces with gold painted leaf shade lights.

Although not all of the guest rooms and bathrooms are described herein, we noted that the Master Bathroom and Vestibule is representative of the opulence and beauty of Mar-a-Lago. It features beige/purple/amber veined marble floors, walls, and fireplace. Three chandeliers of gilt metal with porcelain flowers and clear glass bead baskets, and six gilt bronze wall sconces with porcelain flowers. An etched mirror door, five arched windows, marble sink, and ornate fixtures complete the room.

Kitchen

Commercial kitchen, with commercial food preparation areas and appliances. Butler's pantry type, with 10 coolers, 4 freezers, two staff dining room, and maid's quarters.

The Beach Club

The current owner built a beachside pool across Ocean Boulevard from the main grounds of the estate in 2002. Across the southwest lawn, a Chattahoochee stone path leads to a tunnel under South Ocean Boulevard which opens onto the



Description of Site and Building Improvements

property's Beach Club. The Beach Club property enjoys approximately 359' of ocean frontage, and includes 14 cabanas, a 100-foot long pool, and a snack bar. It has a more modern look than the original estate. A concrete seawall extends the entire length of the property.

The Spa and Amenities

Since the property became established as the Mar-a-Lago Club in 1995, the current owner has since built the above-described Beach Club, a world-class spa and award-winning beauty salon, one grass and five red clay championship tennis courts and a croquet court. The property also has two retail outlets: a tennis pro shop overlooking Lake Worth and a boutique adjacent to the Trump Spa. A "pitch and putt" with a practice green, a large putting green, and croquet lawn is located on the west side of the property. An open pool is located at the approximate center of the property facing the Intracoastal Waterway (Lake Worth).

Out Buildings

In addition, there are various out buildings, garages, sheds, and parking lots for employees and managers of the estate. The Property Manager's complex, to the north of the main entrance drive, consists of a residence, detached garage, an ancillary building, all of which are one-story, stucco, with clay barrel tile roofs.

The basement includes finished and unfinished sections. All of the house equipment is located in this area, wine vault, 500-gallon gas hot water heater, boiler steam rooms, generator, etc. Two-story servant's quarters contains approximately 16 bedrooms, seven baths, a laundry wing, and a sitting room.

Special Features

16th Century mother with child motif bronze door pulls.
Grand arched paneled cypress double door to living room.
Metal boss studded doors, fancy iron work with clear glass panels.
Chandeliers of the finest crystal throughout the estate, with tiered lights, crystal swags and drops. Some with leaf motifs, some painted faded green with blue and crystal clear drops, and at the center a colored porcelain bird.
Travertine marble and green marble floors and marble baseboards.
Antique silk tapers from a Venetian Palace.
12 Fireplaces of various carved stone, wood, marble, with carvings and columns.
Marble tiles from a castle in Cuba.
Floor to ceiling seascape scenes painted on canvas.
Gilt canopy curtains, gilded bronze and stone effect moldings, swags, urns, faces, ribbons, fruit, flowers and female busts throughout dining hall.
Stone steps, stone columns, painted iron hand railing.
Lead glass arched casement windows.
Music, security, emergency lighting, and sprinkler systems installed throughout.



Description of Site and Building Improvements

Landscaping/Other

The Subject's site improvements are significant, typical of the larger multi-million dollar estates in Palm Beach. The site is heavily landscaped with a variety of trees, plants and shrub material common to the area, and is irrigated by a well and pump. The lawn is sodded with areas of golf course grass.

Condition and Functional Qualities

Throughout the years, the house and grounds have been well-maintained. The property is highly maintenance-intensive and management intensive. The current owner has spent millions of dollars restoring the historic mansion. As of the date of value, we know of no serious items of deferred maintenance or physical deterioration of the property.

As an exclusive, private club, the property has been successful with 432 active memberships sold to date, of the 500 maximum allowed. The guest rooms on the second floor are arranged to offer maximum privacy to guests. There are ample restrooms and the kitchen is designed for producing large quantities of food for parties. The spa and salon services have won awards, and the various ballrooms and pavilions can accommodate entertainment functions. Therefore, in our opinion, the Subject does not suffer from functional or economic obsolescence.



MARKET ANALYSIS

Palm Beach Residential Market

Amid a widespread housing market downturn, wealthy Baby Boomers who have made an incredible amount of money on Wall Street over the last few years are spending millions on Palm Beach real estate. Analysts agree that the stock market has been surging, and global economic growth is strong. Wealthy homeowners, both in the U.S. and abroad, continue to purchase homes in Palm Beach to maintain their social standing. Property values for century-old estates built for the very wealthy are at record highs on the island. Trophy properties are expected to continue to sell to those people who can afford to live in Palm Beach, want to diversify their investments, and want to put their money where they can enjoy it.

Sales and pricing of single family homes are up on the island of Palm Beach though the first four months of 2007. According to the Evans Report, 2008, for the first four months of 2007, the number of single family home sales rose 6% over the same period last year. The median price of a single family home in Palm Beach rose 15% in the same period, to \$3.8 million. Although condo unit sales are down - 16%, prices are up 15% from 2006 to 2007.

	<u>Jan-April 2007</u>	<u>Jan-April 2006</u>	<u>Percent Change</u>
<u>Island of Palm Beach</u>			
Single Family sales	53	50	6%
Median price	\$3,800,000	\$3,300,000	15%
Condo sales	91	108	-16%
Median price	\$860,200	\$745,000	15%

Source: The Evans Report 2008

Ultra-Exclusive Clubs

Mar-a-Lago is a private club that affords its members access to a luxuriously appointed one-of-a-kind property in one of the most beautiful and historic locations in the world. Mar-a-Lago offers its members and the opportunity to socialize in unique events and seasonal parties organized throughout the year.

Mar-a-Lago club members enjoy guest suites in this multi-million dollar mansion, with an oceanfront beach club, tennis, spa, Grand Ballroom, pavilions, and restaurants for a one-time membership fee of \$175,000 (2007 pricing). Members also pay annual dues of \$10,400 plus a \$1,000 food minimum, which cover the operating expenses, and gain the right to access and use all of the amenities. Of the 500 total active memberships, Mar-a-Lago has 432 active members who purchased since 1995, indicating its popularity among wealthy individuals and travelers who want the privacy and luxury to vacation at their own mansion without having to buy and maintain it.



Other private clubs on the island consist of the Bath & Tennis Club, the Everglades Club, the Sailfish Club, and the Palm Beach Country Club. The primary difference between these clubs and Mar-a-Lago is that they are actually owned by the members, and are "equity" clubs that are not-for-profit.

The Bath and Tennis Club with 900 members, and the Everglades Club with 750 members, are sold out and memberships are passed down through generations. The Everglades Club gained notoriety in the early 1960's for refusing then president of the United States, John F. Kennedy, into membership because of his being Catholic. Needless to say, the Everglades Club is open by invitation only, and requires that three members vouch for any new member.

The Sailfish Club, with 400 members, is more like a yacht club, with boat docks and a small restaurant and club. Membership costs \$60,000 to join.

The Palm Beach Country Club, with 750 members, is sold out. Every member of this club, as a condition of membership, pledges to give \$1.0 million to a Jewish Charity.

On a national and international level, resort, vacation and/or destination clubs are the fastest growing segment of the luxury travel market. Essentially, these clubs combine the amenities and services of a five-star hotel with the luxury of staying at an exclusive destination club. Some of these clubs are basically high-end timeshares offering members a choice of dozens of private homes around the world along with concierge and travel services. There are now approximately 30 destination clubs, with total membership dollars estimated at \$1.0 billion in 2005 (according to Ragatz Associates, a resort-industry consulting firm).



A survey of some of the most exclusive resorts in the U.S. are shown below:

<u>Club Name</u>	<u># Members</u>	<u>2007</u>	
		<u>Membership Fees</u>	<u>Annual Dues</u>
Exclusive Resorts, Denver, CO	1600	\$395,000	\$20,000 to \$30,000
Tanner & Haley Resorts Private Resorts	400	\$275,000	\$13,750
Tanner & Haley Resorts Distinctive Resorts	450	\$475,000	\$16,750
Tanner & Haley Resorts Legendary Resorts	50	\$1,500,000	\$67,500
Private Estates, Colorado	130	\$95,000	\$7,200
Ultimate Resorts, Kissimmee, FL	50	\$150,000	\$10,000 to \$17,000
Yellowstone Club Big Sky, Montana	225	\$250,000	\$16,000
Yellowstone World Club Big Sky, Montana	150	\$4,000,000 \$10,000,000	\$100,000
Fisher Island Miami	N/A	\$25,000	\$21,500 to \$25,350
Boca Raton Resort & Club Boca Raton	N/A	\$45,000	\$4,000 to \$7,300
Mar-a-Lago Palm Beach	500	\$175,000 2007/2008 Season increases to \$200,000	\$11,400

57825

Conclusion

As shown above, most clubs charge membership fees between \$200,000 and \$500,000 and annual dues of between \$10,000 and \$20,000. The Mar-a-Lago Club is within this range and is considered on par with some of the most exclusive destinations worldwide.



HIGHEST AND BEST USE

The Dictionary of Real Estate Appraisal, Fourth Edition 2002, by the Appraisal Institute defines Highest and Best Use on page 135 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. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity."

To estimate the Highest and Best Use of the Subject, we have considered those uses that are legally permissible, physically possible, economically feasible, and maximally productive. Consideration was given to individual features of the land such as size, shape, location, access to roadways, and the availability of utilities. Consideration was also given to the surrounding land uses and the demand for property in the current real estate market.

In cases where properties are improved, the Highest and Best Use of the site "as though vacant" and the Highest and Best Use of the property "as improved" may be different. This is due to the principle of "contribution" which holds that if an improvement adds value to the site over and above land value, the Highest and Best Use of the property is as improved until such time as the improvements add no contributory value to the property.

Highest and Best Use "Before Conservation Easement"

In considering the highest and best use "before donation of the conservation easement", the analysis is not limited to what the owner plans to do with the property, but rather "the realistic, objective potential uses for the property."

The conservation easement already existing on the Critical Features of the property (described herein as including the main house, a number of rooms therein, certain surrounding structures and improvements, and vistas from the Mansion) makes it more difficult to obtain approvals for additional new single family residential construction because it includes a legally enforceable obligation by the owner to maintain Mar-a-Lago in its present state and condition in perpetuity. It prohibits the construction of new structures within or upon the Critical Features. With respect to new proposed permanent structures on those portions of the property that are not attached to, a part of, or contained within the Critical Features, the construction of additional buildings is conditional upon the approval of the National Trust for Historic Preservation, the grantee of the easement.

The property may be subdivided, but only with the consent of the National Trust, as well as the Town of Palm Beach. Nothing prohibits subdivision of the property as long



as such development is sensitive to the Critical Features' historic character, and complies with the existing zoning code.

Impact to the Private Club "before conservation easement"

Clearly, development of an 11-lot subdivision on areas where there used to be club amenities would greatly impact, and likely diminish the value of the private club as it currently exists. For example, as proposed, Lot 2 is on the site of the Grand Ballroom, Lots 10 and 11 are on oceanfront and beach club area, and Lots 3, 4, 5 and 6 are the site of the tennis courts. If these important club amenities were lost due to redevelopment, the value of the Mar-a-Lago Club memberships would be substantially diminished, in our opinion. It is likely that Mar-a-Lago would lose members, and the current pricing on the remaining memberships (2007 membership fee is \$175,000) could drop substantially.

According to Gloria Meyers, Executive Assistant for Trump Florida Properties, members may resign from the club. Once they are officially resigned and put on the resign list, they may receive a refund of their entire initial amount at one of two points in time: either, 1) when the club reaches full membership and maintains full membership, or 2) after 30 years from the date they joined. They are refunded their initial membership price only. Therefore, although they may resign, the present value of their membership fees would be minimal. Once they express their desire to resign, those memberships are put back in the "pool" of active membership, and may be resold. The resigning memberships become inactive.

Although members may resign as discussed, many lawsuits would probably be filed by a number of existing members if the amenities they thought they were buying when they joined the club were lost because of redevelopment with 11 lots. The impact and cost of such negative publicity cannot be quantitatively measured, and is beyond the scope of this appraisal.

Demand for Lots

The Subject's immediate surrounding neighborhood is substantially built-out with mostly large residential estates. Demand for all property types in Palm Beach is strong due to the limited availability of land on the island. Palm Beach is virtually 100% developed, with restoration and/or demolition of existing houses occurring on a regular basis. Buyers would pay large prices for the Subject's irreplaceable location, and it is our opinion that one of the financially feasible uses for the Subject site would be for some type of residential development which meets all legal requirements. In the previous Market Analysis section, we provided information that sales and prices are strong for this property type.

It is our opinion that if a carefully crafted site plan sensitive to the historic features were submitted, giving the Town of Palm Beach and the National Trust certainty about the future preservation of the Critical Features, and as long as such



development complied with the existing zoning code, the proposed 11 lot subdivision could be approved.

Financially Feasible

Of those uses that are both legally permissible and physically possible, we must determine which of these are financially feasible. According to The Appraisal of Real Estate, 12th Edition 2001, "If the physically possible and legally permissible uses are income-producing, the analysis of financial feasibility will often focus on which potential uses are likely to produce an income (or return) equal to or greater than the amount needed to satisfy operating expenses, financial obligations, and capital amortization of the investment. To determine the financial feasibility, the appraiser estimates the future gross income that can be expected from each use. Vacancy and collection losses and operating expenses are then subtracted from each gross income to obtain the likely net operating income (NOI) from each use. A rate of return on the invested capital can then be calculated for each use. If the net revenue capable of being generated from a use is sufficient to satisfy the required market rate of return on the investment, the use is said to be financially feasible."

In the Valuation Section which follows, we determined that the highest value is produced "before conservation easement", under the hypothetical scenario whereby the Subject would have received all necessary approvals as of the date of appraisal for development of 11 single family lots. In the "before basis" the main estate would continue to be used as a private club, maintaining its presence at its existing location on the site.

The value in the "after conservation easement" - where we considered the Mar-a-Lago Club as it currently exists, with all amenities, but with no development potential for 11 residential sites - is significantly lower as will be detailed in the Valuation section.

Maximally Productive and Conclusion "before conservation easement"

The maximally productive use of a site is that use that will generate the highest rate of return to the underlying land. Based on the above analysis, it is our opinion that the Highest and Best Use of the Subject site is for the continued use of the main estate as a private club, along with development of an 11-lot residential project, such as that proposed for the site.



Highest and Best Use "After Conservation Easement"

In considering the Highest and Best Use of the Subject "after donation of the conservation easement", the same definitions are assumed, with the same characteristics and features deemed most influential to the site remaining unaltered from the prior discussion.

The Subject's existing improvements are a legal use based on the current zoning and land use regulations. Obviously, the existing improvements are physically possible. With specific regard to the uses which are financially feasible, the Mar-a-Lago club has 432 active members (of 500 total), indicating its financial feasibility. The proven successful club operations will continue unless and until the current owner sells the property to a buyer intending on some other use for the property. However, any radically different projection of future use would be highly speculative, and based on the information provided the existing club operations have significant contributory value to the site as a whole.

After donation of the conservation easement, the Subject would maintain all of the existing amenities and beach front for Mar-a-Lago Club. The existing membership fees and annual dues would continue to be supported (based on historical performance of the club).

In addition, two buildable lots along Woodbridge Road can be sold in the "after" analysis. These lots are currently improved with existing older improvements - built in 1953 and 1974 - which are not considered the Highest and Best Use of the land, in our opinion. These older houses would be razed upon sale and are therefore not valued herein. However, the lots contribute value and are valued herein.

In our opinion, "after donation of the conservation easement", the maximally productive use of the property is for continued use of the existing Mar-a-Lago Club and all amenities for a private social club. As a consequence of the donation of the easement, no additional development potential would exist on the property - other than the redevelopment of the two Woodbridge single family lots.



MARKET VALUE AFTER DONATION OF A CONSERVATION EASEMENT

In this analysis, the current club operations as they currently exist, with all amenities, are valued.

DISCOUNTED SELLOUT APPROACH

Preface

In this analysis, the current club operations as they currently exist, with all amenities, are valued by the Discounted Sellout Approach, where we estimate future receipts generated by the sale of the individual club memberships. The steps necessary for the Market Value estimate by the Discounted Sellout Method are as follows:

- ❖ Estimate the appropriate price of each membership to be marketed.
- ❖ Estimate the absorption period over which the club memberships can reasonably be expected to sell. This step is critical to the appraisal process, as it provides a "time line" over which the net proceeds will be received. The absorption estimate involves analysis of current and anticipated supply and demand forces, which will have bearing upon the project's marketability.
- ❖ Estimate annual revenue from membership sales (i.e., multiply number of closings by the membership price), and revenue from other sources.
- ❖ Estimate all of the expenses necessary to market the club memberships and deduct these expenses from the sales revenue. Included in these expenses is an estimate of the incentive necessary to attract an entrepreneur to a project of this type.
- ❖ Compute annual income (i.e., revenue less costs and expenses).
- ❖ Discount income after entrepreneurial incentive to an indication of Present Value.
- ❖ Compute Internal Rate of Return.

Residential lots are appraised on standard residential forms, and are included in the Addenda of this report. A complete discussion of pricing, absorption, lot development costs, and all other relevant information related to the residential lots is found in the following section where we value the property including an 11-lot subdivision in the "before" basis. For the purposes of this "after" basis, two Woodbridge Road lots currently exist and are available for sale on the "after" basis. The projected pricing of one dry lot is \$6,000,000 and the pricing for one limited ocean view lot is \$7,500,000. The pricing is reasonable, and in our



Market Value After Donation of Conservation Easement

opinion the two lots could sell in Year 1 of the cash flow (fully discussed in the next section). (The existing older improvements on these two lots are not considered the Highest and Best Use of the land, would be razed upon sale, and are therefore not valued herein.)

Discussion of Club memberships

The sales history showing number of memberships sold and average pricing since 1995 is shown on the following table.

<u>Year</u>	<u>Membership Sales Revenues</u>	<u>No.of Memberships Sold</u>	<u>Average Membership Price</u>
1994	\$3,947,500	128	\$30,840
1995	\$1,800,000	37	\$48,649
1996	\$1,532,500	36	\$42,569
1997	\$1,990,000	45	\$44,222
1998	\$2,775,000	46	\$60,326
1999	\$3,835,000	60	\$63,917
2000	\$2,400,000	36	\$66,667
2001	\$2,015,000	30	\$67,167
2002	\$2,650,000	35	\$75,714
2003	\$1,750,000	22	\$79,545
2004	\$2,800,000	27	\$103,704
2005	\$2,500,000	23	\$108,696
2006	\$2,800,000	22	\$127,273
YTD '07	<u>\$1,225,000</u>	<u>9</u>	<u>\$136,111</u>
	\$34,020,000	556 (1)	\$61,187

(1) 556 total membership have sold to date. However, some of the members have resigned, died, etc. at which time their memberships go back into the "active" pool. The number of active memberships cannot exceed 500 and there are 432 active members as of the date of appraisal.

Current active members total 432, according to the club operations sources. Therefore, 68 memberships remain to be sold as follows:

Cap on Number of Active Members	500
Current Number of Active Members	<u>432</u>
Memberships available to be sold	68



Market Value After Donation of Conservation Easement

It should be mentioned that our value reflects the remaining 68 memberships to be sold. The club has already sold 86% of the memberships; therefore the majority of the value of the club memberships has already been accrued to the developer.

Absorption and Pricing

Price and absorption are naturally interrelated. As prices increase, absorption slows. The intent, therefore, is to have a combination of price and absorption which will maximize the dollar return. To support a conclusion as to price and absorption, we completed a study of several competing luxury private clubs, both in Palm Beach and in other areas. The table summarizing the results of our survey is found in the Market Analysis Section. Most reliance has been placed on the actual sales performance of the Subject Property. Over the past three years, the average memberships sold per year has numbered 24. The current sales rate for 2007 does not reflect the upcoming winter season where most sales occur. In our opinion, given recent years sales, we have used annual sales of 22-23 memberships per year, which equates to a 3.0 year supply/sell out period as shown below:

68 memberships to be sold / 22 - 23 sales per year = 3.0 year sell out

Pricing of Club memberships

The 2007 asking price as of the date of appraisal is \$175,000 per membership; however, the actual average price attained so far during 2007 is \$136,111. The owner has latitude in what he charges, with some members paying less than others. Prices are not fixed but reflect typical negotiations, bartering, and prices that the market will bear. In our survey of other luxury private clubs, membership prices ranged from a low of \$25,000 to a high of \$1.5 million. As can be seen below, pricing has increased every year at Mar-a-Lago. The annual percentage increase in membership pricing from 2003-2007 is as follows:

<u>Year</u>	<u>Pricing</u>	<u>% Increase</u>
2003	\$79,545	
2004	\$103,704	30.4%
2005	\$108,696	4.8%
2006	\$127,273	17.1%
YTD '07	\$136,111	6.9%

In our opinion, the best indication of the projected pricing of the remaining club memberships should be based on the Subject's actual pricing history, current asking prices (which are going to increase to \$200,000 for the 2007/2008 season), and because potential members realize that it could be now or never to join Mar-a-Lago, since there are only 68 memberships remaining. Based on all of these factors, we have used an average price per membership of \$175,000 in our year 1 analysis. In Year 2, we increased pricing to \$180,000, and in Year 3, to \$185,000.



Market Value After Donation of Conservation Easement

The client provided us with a 3-year operating history of the club operations which indicated that revenues in each of the following categories had increased over this time frame. The Subject's historic performance is shown below. Note that we have not included 2007 data due to the difficulty in extrapolating full-year performance in a seasonal market such as Palm Beach.

Historical Income/Expenses						
Income	Year 2006		Year 2005		Year 2004	
Membership Dues	\$4,049,252		\$3,656,721		\$3,264,098	
Food & Bev.	\$8,661,202		\$6,469,326		\$4,176,360	
Guest Suites	\$1,125,736		\$743,202		\$846,608	
Spa & Salon	\$635,566		\$551,449		\$593,119	
Cabanas	\$133,730		\$83,032		\$78,977	
Tennis/Sports fees	\$132,347		\$90,593		\$87,972	
Valet	\$83,901		\$0		\$0	
Miscellaneous	<u>\$350,248</u>		<u>\$155,698</u>		<u>\$100,575</u>	
Total Income	\$15,171,982		\$11,750,021		\$9,147,709	
Historical Expenses						
	2006	% Rev	2005	% Rev	2004	% Rev
Membership (Sales & Mktg)	\$298,860	7%	\$327,088	9%	\$283,656	9%
Food & Bev.	\$7,689,301	89%	\$5,115,145	79%	\$3,922,740	94%
Guest Suites	\$301,916	27%	\$331,411	45%	\$240,997	28%
Spa & Salon	\$821,300	129%	\$693,602	126%	\$717,622	121%
Cabanas	\$14,343	11%	\$13,288	16%	\$54,347	69%
Tennis/Sports	\$194,303	147%	\$179,608	198%	\$155,908	177%
Valet	\$212,090		\$110,137		\$105,027	
Undistributed		% Total Rev		% Total		% Total
Gen & Admin	\$1,317,476	9%	\$1,445,791	12%	\$1,191,716	13%
Building & Grounds	\$1,742,404	11%	\$1,533,771	13%	\$1,333,945	15%
Security	\$526,804	3%	\$493,062	4%	\$402,342	4%
Housekeeping/Laundry	\$360,404	2%	\$310,365	3%	\$284,242	3%
Real Estate Taxes	\$490,859	3%	\$429,721	4%	\$375,165	4%
Insurance	<u>\$425,000</u>	3%	<u>\$388,448</u>	3%	<u>\$333,392</u>	4%
Total Expenses	\$14,395,060		\$11,371,437		\$9,401,099	
As a % of Revenue	94.9%		96.8%		102.8%	
Net Profit/Loss	\$776,922		\$378,584		-\$253,390	

Revenue from Membership Dues

Members currently pay dues in the amount of \$10,400, plus must spend a minimum of \$1,000 in food annually at the club, for a total of \$11,400 per year. Membership dues have increased every year since the 2003/2004 season to present at an average rate of 6.85%. As the club is nearing the end of its sell-out, we have stabilized the increase in membership dues at 3% per year throughout the cash flow analysis.



Market Value After Donation of Conservation Easement

Food and Beverage

Food and beverage revenue is the revenue generated by all of the food and beverage that are a part of the club's operations, including the Grand Ballroom, main dining room, bar, teahouse, Old Ballroom, catering for events, and other. This category has shown strong increases each year since 2004. The construction of the \$35 million Grand Ballroom in 2002 added to the appeal of the club, and this 18,000 square foot facility is reportedly effectively competing against the Breakers of Palm Beach for events. It is the largest ballroom in Palm Beach. In our opinion, this category will continue to be crucial with regard to the club revenues and we have increased the 2006 figure of \$8,700,000 up by 3% for Year 1.

Revenue from Guest Suites

The club is permitted by the Town of Palm Beach to have nine guest suites, and each has an average of three to four bedrooms (or approximately 32 bedrooms/baths). Revenues are derived from these luxury suites which are operated like hotel rooms; they are available for use by members, guests, and travelers from all over the world for a nightly rate. This category generated \$1,125,000 during 2006, with published rates for the 2007 season in the range of \$750 and up per night. During the off-season rates are in the range of \$550 per night. In our analysis, we increased the 2006 revenues of \$1,125,000 by 3% for Year 1.

Other Revenues

This category represents any and all revenues derived from income sources not specifically described above. These included spa and salon, beach cabana rentals, tennis/sports fees, valet, event fees for retail, restaurant or lounge use, concessions income, i.e., gift shops, shoe shine, commissions for outside services, i.e., vending equipment, photographers, limousine services, et cetera; cash discounts earned from creditors' accounts for payment within the discount period; forfeited deposits and guaranteed no-show revenues; service charges added to customer accounts; and interest income. Total 2006 revenue from "other" sources totaled \$1,336,000 and has increased significantly from 2005. We increased the 2006 figure by 3% for Year 1 of our analysis.

Operating Expense Analysis

We relied upon the three-year operating history of the Subject Property for the years 2004, 2005 and 2006, as detailed on the prior page. The categories are discussed below.

Membership, food and beverage, guest suites, spa, salon, cabanas, tennis, and value are items directly related to the above named income sources. Analysis of



Market Value After Donation of Conservation Easement

these expenses is made in direct relation to those revenues, and the residual is identified as departmental profit.

Membership (Sales & Marketing)

This category includes sales and marketing expense, and the Subject's 3-year history indicates the membership expenses have ranged from 7% to 9% of dues revenues. Industry standards for luxury resort hotel properties reported by PKF indicate Sales & Marketing Expense of 6.5% of gross revenues. In our opinion, historical performance is reasonable and within industry standard ranges. However, we have two Woodbridge Road residential lots to be sold in Year 1 which must be accounted for under this expense category. Based on these considerations, we have used **8.5%** in Year 1 when both lots are projected to be sold; **7.0%** in Years 2 and 3 (when club memberships are still being sold); and beginning in Year 4, after all the club memberships and lots have been sold, this expense will decline to **3.5%** per year as is reflected in our cash flow.

Food and Beverage

This category is highly variable and management dependent; food and beverage outlets have the potential to be high-loss due to the nature of the business. The Subject's 3-year history indicated an expense ratio of 79% to 94% of revenues. Given an assumption of competent management, we have used an **89%** expense factor applied to food and beverage revenues, not unreasonable within the context of industry standards (and was the actual ratio in 2006).

Guest Suite Expense

Rooms' expense is the sum of all costs and expense items directly related to the sale and upkeep of guest rooms and a property's public space. According to the Uniform System of Accounts for Hotels, Eighth Revised Edition, these items include

"Salaries, wages and employee benefits; employee uniforms; rooms' supplies including china, glassware and linens; travel agent and other commissions; contract cleaning, in-house or contract laundry and dry cleaning; operating supplies and expenses; reservations fees and expenses."

Although some of the components of rooms' expense are not directly related to occupancy, these items are predominantly occupancy sensitive.

In consideration of the foregoing, the appropriate unit of analysis and comparison is a percentage of room revenue or amount per occupied room. In our analysis, we have used percentage of room revenues. The owner's historic rooms' expense ratio has ranged from 27% to 45%. *PKF Consulting* indicates a 25% ratio on the average for luxury / resort properties in 2005. While the Subject ratio is higher, it



Market Value After Donation of Conservation Easement

is our opinion that the Subject's management is reasonable for this very unique market. We have utilized **27%** rooms' expense ratio.

Spa & Salon, Cabanas, Tennis/Sports, and Valet Expenses

These items are considered the amenities of the club, and are not profit centers, making these expense categories less significant overall. Rather, these items support the membership pricing, dues, guest suite nightly rates, and food and beverage prices. We based Year 1 expense on actual 2006 expense inflated by 3%. We noted that these expenses have reasonably increased over the last three years and we have inflated them at 3% per year over the cash flow.

Undistributed Expenses

We noted that the impact of the 2003-2004 hurricanes suffered during those years was addressed as capital expenditures and not in the expense categories.

Administrative and General Expense

This category includes all operational and management expenses and costs which are not attributed to a particular department, as outlined above. Managerial salaries for example are difficult to allocate, as they would encompass all of the operating departments. According to the Uniform System of Accounts for Hotels, Eighth Revised Edition, this expense item includes the following as applicable: "salaries, wages and employee benefits; cash overages (shortages) credit card commissions and/or charges; data processing or information services expenses; donations; (executive) office expense; general liability insurance; professional fees including internal audits; property loss or damage; postage; miscellaneous expense; printing charges; association dues and publication; traveling expenses." These costs can vary greatly dependent on many factors, including property type and size, amenities et cetera.

In general, administrative and general expenses are relatively fixed and based on property type and specifics. In light of the components of this expense item, we have used percentage of gross revenues. Industry standards indicate Administrative & General expenses as related to luxury hotel properties are reported by PKF at 9.6% of gross revenues. Historical performance at the Subject was within industry standards, at 9% to 13% over the last 3 years. We have utilized a ratio of **10%** based on the Subject's historical performance.

Building and Grounds Operations and Maintenance Expense

Building and grounds operations and maintenance at the Subject is not only at the discretion of owner/management. Because the Subject is a historic landmark, and because there is a conservation easement on the critical features of Mar-a-Lago, the National Trust for Historic Preservation and the Town of Palm Beach monitor the



Market Value After Donation of Conservation Easement

property continually. The existing easement contains a legally enforceable obligation by the owner to maintain Mar-a-Lago in its present state and condition in perpetuity.

This category includes salaries, wages and employee benefits; uniforms; building(s); furniture; painting and decorating; floor coverings; curtains and draperies; painting and decorating; mechanical and electrical equipment; elevators; engineering supplies; grounds and landscaping; operating supplies; refrigeration supplies; miscellaneous; waste and trash removal.

In the case of the Subject, this expense category also includes domestic water service, electricity, natural gas, fuel oil, and whatever fuel is consumed for lighting, space and water heating, air conditioning, and any miscellaneous power requirements.

The 3-year history of the Building and Grounds expense for the Subject has ranged from 11% to 15% of total revenues. For the purposes of this analysis, we have used **12%** of total revenues in the cash flow.

Security

Because of the nature of this property, the security expense is relatively fixed and has ranged from 3% to 4% of total revenues. For example, as long as the club is open, its public areas must be monitored. We utilized **3.5%** in our cash flow.

Housekeeping/Laundry

This expense is related to actual guestroom consumption that would be related to occupancy. The 3-year history of this expense for the Subject has ranged from 2% to 3% of total revenues. For the purposes of this analysis, we have used **2.5%** in the cash flow.

Fixed Expenses

Real Estate Taxes

The real estate taxes in 2006 were \$490,589, which we have increased 3% for Year 1 of the cash flow. It should be noted that the current assessment for the real property is substantially below our estimate of market value; **not unusual within this market**. A substantial increase in real estate taxes could potentially change the value conclusion, but this is not anticipated under the "after" basis. In addition, we applied the current millage rate of 0.01840 to the lot sales proceeds, and then assumed a mid-year sale where the developer would be responsible for ½ year of taxes. The taxes for the two lots are estimated to be \$115,000 and are added to Year 1 (calculated as \$12,500,000 in lot sales proceeds x .0184 divided by 2 (for ½ year)).



Market Value After Donation of Conservation Easement

Insurance

The insurance expense category is for full coverage insurance (non - payroll). Industry standards do not reflect the actual state of insurance premiums for such coverage in south Florida over the past two years. Increases of 300% to 400% over premiums in the early 2000's are not uncommon in this market. We have increased the actual premium for 2006 by 3% for Year 1 of our analysis.

Management Fee

Club and hospitality management fees are almost always based on a percentage of total revenues. Therefore, they are fully dependent on gross revenues and are calculated as a percentage of such. In general, the market for properties such as the Subject is for management fees of between 3.0% and 3.5% of gross operating revenues. The historic data indicated no management fee. Given the projected revenues and the trophy location - one that would be desirable by any management company - we have utilized **2.5%** for Year 1. The reconstructed operating statement utilizing the foregoing conclusions is found on the Discounted Cash Flow analysis at the end of this section.

Growth Rates

We expect revenues and expenses to increase at a rate of 3% annually (other than membership pricing which we have increased incrementally). This rate is supported by the indication of inflation by the consumer price index, and in our opinion is adequate to reflect the strength of the luxury private club segment of the market. Those expenses that are calculated as a percentage of revenue are inherently inflated.

Developer's Incentive (Profit)

Developer's profit (or incentive) is that incentive to the purchaser or investor in this case to undertake a particular real estate investment. Developer's profit is signified as a percentage of net income (before profit) of the club operations. Considering the level of risk and time involved with such an investment, as well as the high amount of maintenance on this landmarked historic property, we have estimated 20% developer's incentive. This is the minimum level of profit an investor would accept on such an investment, in our opinion.

Time Line

As was discussed earlier, we have estimated a 3-year sell-out of the remaining 68 memberships with stabilization in Year 4. The Discounted Cash Flow model uses a holding period of four years, with the 5th year's stabilized net operating income used to calculate the **reversion** of the property at the end of the holding period. This is consistent with holding period projections made by investors. Because this is the



Market Value After Donation of Conservation Easement

final opportunity to purchase a membership at Mar-a-Lago, and because our absorption is slightly less than the actual average number of memberships sold over the last 3 years, it is our opinion that our absorption/time line considers any membership turnover that may occur during the sell-out. Furthermore, any member who relinquishes their membership is not refunded for 30 years (see complete discussion in the Highest and Best Use) so turnover does not impact the bottom line immediately.

Reversion

In addition to the annual net cash flows associated with the operation of the Subject property, the yield on an investment must also take into account the appreciation or depreciation of the property during the holding period. This additional future cash flow is realized at the time of a hypothetical sale of the property at the end of the holding period, and is known as the reversion. In order to estimate the reversion for the Subject property an appropriate terminal cap rate or "going out" capitalization rate is applied to the projected income for the year following the last year of the holding period. In this case, the reversion or resale value will be calculated by capitalizing Year 5's net operating income projection.

The terminal capitalization rate utilized for the valuation of the Subject property was obtained via two methods; a) abstraction, and b) band of investment, both are detailed as follows:

Abstraction Method for Terminal Cap Rate: The overall rate reflects the direct relationship between a property's net income and its sale price and takes into account a number of factors, including the location and income producing capabilities of the properties. Due to the lack of data from recent market transactions, we have looked again to the earlier described regional and national reporting by various sources.

PriceWaterhouseCoopers Korpacz Real Estate Investor Survey for 1st Quarter 2007 under the National Luxury/Upper Upscale Lodging Segment reported terminal cap rates for conventional sales to have ranged from 5.00% to 11.00% with an average of 9.0%. These rates were all reported to be less than 75 basis points higher than going-in rates. *RealtyRates.com's 1st Quarter 2006* report indicates going in cap rates to range from 6.95% to 12.89% and to average 8.87% for institutional grade properties. The Subject's Palm Beach location would indicate rates from the low end of both of these reports; say 7.0% to 8.0%.

Band of Investment Method: This method of "building" an overall rate is based on the weighted components of a capitalization rate. These are the return "of" and "on" the investment (payback of financing) as well as the return "of" and "on" the equity (equity dividend rate). Therefore, this method of derivation assumes satisfaction of both the mortgage requirements of the lender and the equity dividend rate of the investor.



Market Value After Donation of Conservation Easement

The formula for deriving an overall rate by this method is as follows:

$$R_o = M \times R_m + (1 - M) \times R_e$$

R_o = overall rate
 M = mortgage ratio
 R_m = mortgage constant (annualized)
 $1-M$ = equity ratio
 R_e = equity dividend rate

As of the date of this analysis, typical mortgage terms offered by lenders active in the luxury hospitality market (which is considered most appropriate for our analysis of an investment such as the Subject property) are as follows:

- a) Loan-to-value ratio of 75% to 80%,
- b) A fixed interest rate of 5.5% to 6.5%
- c) Amortization period of 30 years.

Due to the lack of information needed to derive equity dividend rates from the market, it was also necessary to go to other sources in the market for this information.

RelatyRates.com indicated that investor's low-end equity dividend rates average 8.3% in the current market. These rates do not hold in every market and for every property; Palm Beach is one of the few markets in the country where these norms cannot be relied on due to the imbalance of supply and demand. Investors in these types of "trophy" locations look to equity return on resale or appreciation of the property. We were recently informed of an office building sale on Las Olas Boulevard, an upscale location in Ft. Lauderdale with a cap rate based on zero equity dividend rate. We are aware of other product in trophy markets with sub-5% equity returns. In recognition of this situation, we have used a lower return in the 5% to 8% range.

Based on the above the assumptions, an overall rate by the Band of Investment method is calculated as shown below, resulting in an overall rate range of 6.65% to 7.40% for a going-in rate.

Conclusion Terminal Cap Rate

We considered the going-in capitalization rates indicated by the national market, indicating a range roughly from 6.95% to 12.89%, with an indicated average of 8.87% and from the band of investment method indicating a range of 6.65% to 7.40%. We used this data for reference to the conclusion for a terminal cap rate in the Discounted Cash Flow analysis.



Market Value After Donation of Conservation Easement

Based on this discussion, a terminal cap rate or "going out" rate of 7.5% (50 to 75 basis points higher than the going-in rate) was used for this analysis. A sales expense of 3%, which is reflective of investors' estimates, was also deducted from the capitalized residual value of Year 5.

Discount Rate

A Discount Rate is used to convert future benefits into present value by discounting future benefits at an appropriate yield rate that explicitly reflects the investment's income pattern, change in value and yield rate. In yield capitalization, an appraiser 1) selects a holding period, 2) forecasts future cash flows, 3) selects the appropriate yield, or discount rate, and 4) converts the future benefits into present value by applying an overall rate (or by discounting each annual future benefit when the holding period is longer). The net proceeds to be received by the Subject must be discounted to reflect the fact that the proceeds will be received over a multi-year period as discussed earlier in this section where absorption was estimated. The discount rate can be defined as the opportunity cost to the typical investor, and is expressed as a percentage on an annual basis. Because these factors have a real cost, future receipts are worth less than present funds. We utilized two methods in assisting us in determining an appropriate discount rate, discussed as follows:

Alternative Investment Yields on the most actively traded bonds, published in the Wall Street Journal (on-line) as of July 31, 2007, are included herein. The source of the bond rates was Standard and Poor's. Higher rated bonds carry less risk while lower rated bonds (e.g., junk bonds or high yield/high return bonds) have more risk. Standard & Poor's Bond Ratings include investment grade or safer bonds as anything rated triple-B or above—(Aaa,AAA; Aa,AA; A,A; Bbb,BBB) while those ratings below the triple-B—(Ba,BB; B,B; Ccc,CCC; Cc,CC; C,C; D) carry higher risk of default. We have analyzed the following alternative investments yields:

<u>Name</u>	<u>S&P Rating</u>	<u>Yield</u>
AT & T Wireless	A	5.79%
Lehman Brothers Hlds	AA	7.05%
Merrill Lynch & Co.	A+	6.83%
Goldman Sachs CP	AA-	5.64%
Home Depot	BBB+	6.37%
Ford Motor Credit	B	9.00%
Viacom	BBB	7.38%
General Motors Acceptance	BB+	8.77%
Trump Entertainment Resorts	B	11.50%
Harrah's Operating Co.	BB	10.78%
National Luxury/Upper-Upscale Lodging Segment, 1st Qtr. '07 (Source: Korpacz RE Investor Survey)		8% to 13% Avg. 11.11%



Market Value After Donation of Conservation Easement

One of the major factors differentiating real estate as an investment vehicle relative to the financial markets is tax treatment. Real estate ownership may provide for tax benefits that are not available for bond and money instruments. Typically, the financial markets are more subject to fluctuations relative to the whole market. The magnitude of trading within the financial market, analysis of the same instrument by many informed participants, and the adjustments made by the market participants provide a sound indication of yields at varying degrees of risk. We considered that a yield rate in the range of the B or above alternative investment yields generally supports a discount rate within the 7% to 11% range.

Published Investor Surveys: Because real estate suffers from illiquidity in comparison with the financial instruments that can be converted into cash quickly, investors of real estate typically require returns several hundred basis points above what can be achieved in the financial markets. This is evidenced by the *PriceWaterhouseCoopers* Real Estate Investor Survey, 1st Quarter 2007, which indicated investors in the luxury lodging market are discounting cash flows at between 8% and 13%, with an average discount rate of 11.11%. This was relatively level with the prior quarter, but down nearly 75 basis points from the prior year. These figures are significant in that benchmark interest rates have risen consistently over the past two to three years.

Conclusion of Discount Rate: The Subject is an established club operation in an insulated trophy market. Palm Beach investor indices have historically been below those of mainland West Palm Beach and all but a handful of other trophy markets in the United States. We considered the Subject's forecast length (and relatively short 3 year sellout of existing memberships), stability, relative certainty of the forecasted annual income flow, the uniqueness of the Subject, the very desirable location, and the property's image and physical characteristics in the market. Considering all the above information, we have applied a **9% to 11% discount rate** to the Subject's cash flow (after a profit deduction of 20%).

Discounted Present Value of the Subject Property "after conservation easement"

The present value of an interest in real property may be defined as the sum of all future benefits accruing to the owner of the interest when such benefits are discounted to the present by an appropriate discount rate. Based upon the previous analysis of the Subject's club operations, the discounted sellout analysis yields a value indication of **\$26,000,000** for the Subject, **after donation of a conservation easement.**



Market Value After Donation of Conservation Easement

Internal Rate of Return

The internal rate of return is a rate of return on capital generated (or capable of being generated) within an investment over a period of ownership. The internal rate of return is a measure of investment performance, and can further be referred to as yield analysis. The computed annualized internal rate of return based on our valuation was 19.55% which provides significant incentive for an investor to undertake such an investment.

The results of our Discounted Cash Flow Analysis “after donation of a conservation easement” is presented on the following page.



Market Value After Donation of Conservation Easement

Cash Flow Model For Mar-a-Lago Club Operations					
"After Conservation Easement"					
Retail Lot Values	Ltd Ocean View Dry Lot	\$7,500,000 \$6,000,000	Aggregate Retail Value of Lots:	\$13,500,000	
Club Operations					
Maximum # Memberships		500			
Sold to date (active)		432			
Total No. Memberships Avail.		68			
		Year 1 7/07	Year 2 7/08	Year 3 7/09	Year 4 7/10
		to 6/08	to 6/09	to 6/10	to 6/11
Cash Flow					
Projected Lot Sales		\$13,500,000			
Projected Membership Sales		23	23	22	
Cumulative # Sold		23	46	68	
Unsold Memberships		45	22	0	
Membership Price	Say,	\$175,000	\$180,000	\$185,000	
Membership Sales Revenue		\$4,025,000	\$4,140,000	\$4,070,000	
Total Lot & Membership Sales		\$17,525,000	\$4,140,000	\$4,070,000	
Other Revenue Sources					
	2006				
New Member Dues/Food	\$11,400	\$262,200	\$524,400	\$775,200	
Membership Dues	\$4,050,000	\$4,171,500	\$4,296,645	\$4,425,544	\$5,356,767
Food & Bev.	\$8,700,000	\$8,961,000	\$9,229,830	\$9,506,725	\$9,791,927
Guest Suites	\$1,125,000	\$1,158,750	\$1,193,513	\$1,229,318	\$1,266,197
Spa & Salon	\$635,000	\$654,050	\$673,672	\$693,882	\$714,698
Cabanas	\$135,000	\$139,050	\$143,222	\$147,518	\$151,944
Tennis/Sports fees	\$135,000	\$139,050	\$143,222	\$147,518	\$151,944
Valet	\$85,000	\$87,550	\$90,177	\$92,882	\$95,668
Other	\$350,000	\$360,500	\$371,315	\$382,454	\$393,928
Total Income	\$15,215,000	\$15,933,650	\$16,665,994	\$17,401,041	\$17,923,073
Total Revenues Lots & Club		\$33,458,650	\$20,805,994	\$21,471,041	\$17,923,073
Lot Development Costs		-\$232,700			
<i>(see schedule in appraisal)</i>					
Expenses					
	2006				
Sales & Marketing	\$300,000	-\$376,865	-\$337,473	-\$364,052	-\$187,487
Food & Bev.	\$7,700,000	-\$7,975,290	-\$8,214,549	-\$8,460,985	-\$8,714,815
Guest Suites	\$300,000	-\$312,863	-\$322,248	-\$331,916	-\$341,873
Spa & Salon	\$820,000	-\$844,600	-\$869,938	-\$896,036	-\$922,917
Cabanas	\$14,500	-\$14,935	-\$15,383	-\$15,845	-\$16,320
Tennis/Sports	\$195,000	-\$200,850	-\$206,876	-\$213,082	-\$219,474
Valet	\$212,000	-\$218,360	-\$224,911	-\$231,658	-\$238,608
Gen & Admin	\$1,315,000	-\$1,593,365	-\$1,666,599	-\$1,740,104	-\$1,792,307
Building & Grounds	\$1,750,000	-\$1,912,038	-\$1,999,919	-\$2,088,125	-\$2,150,769
Security	\$525,000	-\$557,678	-\$583,310	-\$609,036	-\$627,308
Housekeeping/Laundry	\$360,000	-\$398,341	-\$416,650	-\$435,026	-\$448,077
Real Estate Taxes	\$490,859	-\$620,585	-\$520,752	-\$536,375	-\$552,466
Insurance	\$425,000	-\$437,750	-\$450,883	-\$464,409	-\$478,341
Management Fee	2.5%	-\$398,341	-\$416,650	-\$435,026	-\$448,077
Total Expenses	\$14,407,359	(\$15,861,860)	(\$16,246,140)	(\$16,821,675)	(\$17,138,838)
NET INCOME BEFORE PROFIT		\$17,364,090	\$4,559,853	\$4,649,367	\$784,234
CLUB OPERATIONS					
			Reversion	\$9,802,929	
			Cost of Sale 3%	-\$294,088	
Developer's Profit	20.00%	(\$3,472,818)	(\$911,971)	(\$929,873)	
NET INCOME AFTER PROFIT		\$13,891,272	\$3,647,883	\$13,228,335	
Present Value of Net Income After Deducting Profit:					
			Discount Rate		
Net Present Value @			9%	=	\$26,029,338
Net Present Value @			11%	=	\$25,147,807
			Say,		\$26,000,000
Calculation of Yield					
Developer's Profit		\$3,472,818	\$911,971	\$929,873	
Net Operating Income		\$13,891,272	\$3,647,883	\$13,228,335	
Cash Flows	(\$26,000,000)	\$17,364,090	\$4,559,853	\$14,158,208	
Internal Rate of Return		19.55%			



MARKET VALUE BEFORE DONATION OF A CONSERVATION EASEMENT

In this analysis, we are adding an 11-lot subdivision to the property. The 11 lots will hypothetically be developed on areas where the current club operations exist, thereby reducing the club amenities and impacting the price of the club memberships.

DISCOUNTED SELLOUT APPROACH OF 11-LOT SUBDIVISION

Preface

In this analysis, we are adding the 11-lot subdivision to the property. The 11 lots will be developed on areas where the current club operations exist, thereby reducing the club amenities. This will impact the price of the club memberships, in our opinion. The steps necessary for the Market Value estimate by the Discounted Sellout Method are as follows:

- ❖ Estimate the appropriate price of each lot and club membership to be marketed.
- ❖ Estimate the absorption period over which the lots and memberships can reasonably be expected to sell.
- ❖ Estimate annual revenue from lot sales.
- ❖ Estimate all of the expenses necessary to market the lots and memberships and deduct these expenses from the sales revenue. Included in these expenses is an estimate of the incentive necessary to attract an entrepreneur to a project of this type.
- ❖ Compute annual income (i.e., revenue less costs and expenses).
- ❖ Discount income after entrepreneurial incentive to an indication of Present Value.
- ❖ Compute Internal Rate of Return.

Residential Lots

The Sales Comparison Approach is the preferred method to be used to value the lots when comparable sales are available. In the Sales Comparison Approach, to estimate the individual retail value of the proposed Subject lots, we relied upon the sales of similar lots. The lot sales are analyzed and compared to the Subject Property with appropriate adjustments made to indicate the market value of the Subject.



Market Value Before Donation of Conservation Easement

The lots are appraised on standard residential forms, and are included in the Addenda of this report.

Based on the discussion of the comparable sales, and because the Subject would be expected to compete effectively for buyers who want the prestigious Mar-a-Lago address, the pricing of the Subject lots is reasonable, in our opinion, and is as follows:

PROJECT SIZE SUMMARY				
MAR-A-LAGO				
<u>Lot Type</u>	<u>Lot Area Square Feet</u>	<u>Lot Ref. No.</u>	<u>Retail Price/SF</u>	<u>Retail Lot Price</u>
Dry	60,000	2	\$250	\$15,000,000
Dry	60,000	3	\$250	\$15,000,000
Dry	60,000	4	\$250	\$15,000,000
Dry	60,000	5	\$250	\$15,000,000
Dry	20,000	8	\$300	\$6,000,000
Dry	20,000	9	\$300	\$6,000,000
Ltd. Ocean View	61,531	1	\$260	\$16,000,000
Ltd. Ocean View	20,000	7	\$375	\$7,500,000
Lake front	60,000	6	\$467	\$28,000,000
Oceanfront	20,000	10	\$800	\$16,000,000
Oceanfront	20,000	11	\$800	\$16,000,000
Totals	461,531	11		\$155,500,000
57825				

At our projected pricing, the Subject lots are within the range of the single family, luxury Palm Beach market, and considers that the housing will be new construction (versus having to tear down an existing house).

Lot Absorption Analysis

The absorption analysis of a residential project provides a time line over which the sales receipts will occur. It is also typically one of the more difficult items to estimate since absorption rates for future sales are dependent upon external forces such as the national economy, the local economy, recent actions of the stock market, the availability of mortgage funds, and the supply of competitive sites. Also considered is the very high pricing of the lots and the smaller universe of potential buyers.

Several prominent builders in the Palm Beach market report that younger buyers in particular prefer new construction and will tear down existing older homes to build new ones which incorporate all of the latest "bells and whistles" of the construction



Market Value Before Donation of Conservation Easement

industry. Potential buyers include current Palm Beach residents, as well as out-of-state buyers (such as New York City dwellers) and out-of-country buyers seeking a second residence, who are familiar with the Palm Beach lifestyle. In our opinion, this developer understands this market and has been successful. Marketing would include a web site, as well as the local Palm Beach MLS. Based on our analysis of this market, it is our opinion that the 11 lots would be sold over a three-year period.

Lot Development Costs

The Subject lots have all surrounding site work substantially complete for the immediate sale of the lots. Existing completed work consists of perimeter landscaping, road improvements, drainage, utilities, and irrigation. Development costs to be incurred would be the removal of some of the existing structures, and the following (as provided by the owner):

**Mar-A-Lago 11-Lot Subdivision
Site development costs**

	Per Lot Cost	Total to be spent over next 6 months
Strip Topsoil (4" thick)	\$1,750	
Silt Fence	\$2,800	
Remove existing infrastructure/pavement	\$25,000	
Paver Driveway	\$43,200	
4" Dia. Sewer lateral	\$1,750	
1" water service	\$1,400	
Topsoil	\$2,450	
Sod	\$18,000	
Base Landscaping	\$20,000	
Total	\$ 116,350	\$ 1,279,850

Source: Client

Note: Assumes approvals have been obtained by appropriate agencies.

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We have relied upon the above costs in our analysis.

Expenses during Lot Sell-Out

The expenses during the lot sell-out period include those items necessary to market and sell the Subject lots, as well as pay the real estate taxes and various operating costs.

General and Administrative expenses will be incurred throughout the sell-out of the 11 lots, and should cover all administrative requirements such as accounting, office



Market Value Before Donation of Conservation Easement

expenses, salaries, telephone, web site, utilities, legal fees, and insurance. Given the small number of lots, the very high lot pricing, and estimating a relatively fast sell-out, it is our opinion that this category would be appropriate at 0.5% of gross sales revenues through the sell-out period.

Sales Expenses include gross advertising expense (newspaper, website, magazines, etc) and commissions. Typically, an employee of the developer would receive a commission of 1.0% to 3.0% and an outside agent would receive a commission of 3% to 5% of sale price. Accordingly, we have estimated sales expenses at 3% of the total gross lot sales revenues.

Utilities, Insurance, and Carrying Costs are those items that will be incurred during the carrying period, while the lots are being marketed but remain unsold. We have estimated this category at 0.15% of gross revenues which is supported by the expenses of other developments of similar magnitude.

Real Estate Taxes are based on county tax records for other residential lots in Palm Beach. Because we are assuming the property is site plan approved for the proposed development, for the purposes of this analysis we have also assumed that during Year 1, the real estate taxes will reflect the 11 single family lots on the tax roll. The real estate tax expense will decrease during the sell-out as the responsibility is shifted to the new owners. We applied the current millage rate of 0.01840 to the sales proceeds, and then assumed a mid-year sale where the developer will be responsible for ½ year of taxes.

The following cash flow for the 3-year sell-out of the lots, showing revenues and expenses is as follows:

Cash Flow	<u>Year 1</u> 7/07 to 6/08	<u>Year 2</u> 7/08 to 6/09	<u>Year 3</u> 7/09 to 6/10
<u>Projected Lot Sales</u>	Lots 6, 7, 10, 11	Lots 1, 2, 8, 9	Lots 3, 4, 5
# of Lots Sold	4	4	3
Total Revenues from Lot Sales	\$67,500,000	\$43,000,000	\$45,000,000
Lot Development Costs (See Schedule in Appraisal)	-\$1,279,850		
<u>Expenses - Lots</u>			
Gen. & Administrative	0.50% -\$337,500	-\$215,000	-\$225,000
Sales & Marketing	3.0% -\$2,025,000	-\$1,290,000	-\$1,350,000
Utilities, Insurance, etc.	0.15% -\$101,250	-\$64,500	-\$67,500
Real Estate Taxes	1.84% <u>-\$621,000</u>	<u>-\$395,600</u>	<u>-\$414,000</u>
Total Expenses	(\$3,084,750)	(\$1,965,100)	(\$2,056,500)
NET INCOME BEFORE PROFIT - LOTS	\$63,135,400	\$41,034,900	\$42,943,500



Market Value Before Donation of Conservation Easement

Club Operations in the "before basis"

In this "before" conservation easement scenario, the 11 lots will be developed on areas where the current club operations exist, thereby reducing the club amenities. Clearly, this would greatly impact, and likely diminish the value of the private club as it currently exists. For example, proposed Lot 2 is on the site of the Grand Ballroom, Lots 10 and 11 are on the oceanfront and beach club area, and Lots 3, 4, 5 and 6 are the site of the tennis courts. If these important club amenities were lost due to redevelopment, the value of the Mar-a-Lago Club memberships would be substantially diminished, in our opinion. It is likely that Mar-a-Lago would lose members, and the current pricing on the remaining unsold memberships would drop substantially.

Membership Pricing and Dues Projections

We discussed the legal ramifications of this scenario in the Highest and Best Use discussion, and the possibility that members would resign and potentially sue the club owner. However, that is speculative and beyond the scope of our appraisal. In order to account for the reduction in amenities, we have reduced the club membership price to \$60,000 in Year 1, \$63,000 in Year 2, and \$66,150 in Year 3. Furthermore, we reduced the annual dues in Year 1 to \$6,000 per year (including the food minimum), \$6,250 in Year 2, and \$6,500 in Year 3. These levels are at the lower end of the luxury club market, as shown in the earlier Market Analysis section of this report.

The following projections for Year 1 club operations are shown below, with each category described on the following pages.



Market Value Before Donation of Conservation Easement

"BEFORE CONSERVATION EASEMENT"		
Club Revenues	Projected Year 1	
Membership Dues	\$2,730,000	
Food & Bev.	\$4,300,000	
Guest Suites	\$800,000	
Spa & Salon	\$450,000	
Cabanas	\$0	
Tennis/Sports fees	\$0	
Valet	\$60,000	
Other	<u>\$175,000</u>	
Total Income	\$8,515,000	
Club Expenses		
	Year 1	% Rev
Membership (Sales & Mktng)	\$200,000	7%
Food & Bev.	\$3,800,000	88%
Guest Suites	\$216,000	27%
Spa & Salon	\$320,000	71%
Cabanas	\$0	
Tennis/Sports	\$0	
Valet	\$75,000	
Undistributed		% Tot
Gen & Admin	\$851,500	10%
Building & Grounds	\$1,021,800	12%
Security	\$255,450	3%
Housekeeping/Laundry	\$170,300	2%
Real Estate Taxes	\$365,000	4%
Insurance	<u>\$325,000</u>	4%
Total Expenses	\$7,600,050	
As a % of Revenue	89.3%	
Net Profit/Loss	\$914,950	

Revenue Projections

Food and Beverage

Food and beverage revenue is the revenue generated by all of the food and beverage that are a part of the club's operations, including the Grand Ballroom, main dining room, bar, teahouse, Old Ballroom, catering for events, and other. The Grand Ballroom will not be here under this scenario and as the largest ballroom in Palm Beach, this would be expected to dramatically impact this category. In our opinion, this category will drop by approximately 50% from historical levels. Therefore, Year 1 food and beverage revenue projections would be \$4,300,000 (or approximately 50% of the 2006 level of \$8,661,000).



Market Value Before Donation of Conservation Easement

Revenue from Guest Suites

The nine guest suites will remain unchanged and can generate revenues. However, there will be no Grand Ballroom, Beach Club, or tennis facilities and these amenities are critical in supporting the nightly room rates of \$550 to over \$750 for the suites. Therefore, although occupancy may remain strong especially by out-of-state and out-of-country visitors, in our opinion, the nightly "rack" rates will decline. Based on other hotels on the island, it is our opinion that rates will drop by approximately 30% from prior levels. Correspondingly, Year 1 guest suite revenue projections are \$800,000 (or approximately 70% of the 2006 level of \$1,125,000).

Spa and Salon Revenues

We know that spa and salon revenues will decline along with the anticipated drop in members, guests, and travelers who will use these facilities. If usage declines, then services pricing will also have to come down to entice more users. In our opinion, usage will decline by 30%, with a corresponding drop in revenues. Year 1 spa revenues are projected at \$450,000 (or approximately 70% of the 2006 level of \$635,000). Valet revenues have also been projected to decline at the same rate.

Beach Club and Tennis Revenues

No income will be generated from beach cabanas, tennis/sports fees because these amenities no longer exist under this scenario.

Other Revenues

This category represents any and all revenues derived from income sources not specifically described above. These include event fees, concessions income, commissions for outside services, i.e., vending equipment, photographers, limousine services, et cetera; cash discounts earned from creditors' accounts for payment within the discount period; forfeited deposits and guaranteed no-show revenues; service charges added to customer accounts; and interest income. Total 2006 revenue from "other" sources totaled \$1,336,000. Based on the overall reduction of the club, we decreased the 2006 figure by 50% for Year 1 of this analysis, or to \$175,000.

Operating Expense Projections

We have used the same analysis as in the prior section whereby the membership, food and beverage, guest suites, spa and salon expenses are directly tied to the above named income sources. Estimate of these expenses is made in direct relation to those revenues with the same percentages applying as in the prior section.



Market Value Before Donation of Conservation Easement

In the case of real estate taxes and insurance, these expenses would be affected by the anticipated loss of major buildings and amenities on site, due to the redevelopment of the club. Therefore, we have attempted to estimate the reduction in these expenses to the best of our ability under the "before basis" herein.

Cash Flow Assumptions

On the "before basis" we have utilized the same assumptions in the cash flow as we used in the prior section. To re-cap briefly the assumptions:

Investment Holding Period and Reversion

4-years with sale based on capitalizing the 5th Year's estimated net income stream at 8.00% with a 3% cost of sale. The residual or terminal capitalization rate (cap rate) is supported by a report titled *Korpacz Real Estate Investor Survey*. The terminal cap rate is 50 to 75 basis points above the initial capitalization rate. In our opinion, this adequately addresses the risk of the income stream over the cash flow

Revenues

Revenue sources were discussed and estimated earlier. It is estimated that revenues will escalate 3% per annum during the cash flow period. This rate is supported by the investor survey mentioned above. In it, the respondents indicated a range from 0% to 3%.

Expenses

Expenses have been previously estimated and supported earlier in the report. All operating expenses are expected to increase annually at 3% during the cash flow period. This rate is supported by the "Real Estate Investor Survey" previously discussed.

Developer's Profit

The profit was previously estimated and supported earlier in the report. We have used a profit of 20% in the analysis.

Discount Rate

The discount rate was previously estimated and supported earlier in the report. We have used a range of 9% to 11% in this analysis.



Market Value Before Donation of Conservation Easement

Discounted Present Value of the Subject Property "before conservation easement"

The present value of an interest in real property may be defined as the sum of all future benefits accruing to the owner of the interest when such benefits are discounted to the present by an appropriate discount rate. Based upon the previous analysis of the Subject's club operations, the discounted sellout analysis yields a value indication of **\$113,000,000** for the Subject, **before donation of a conservation easement.**

Internal Rate of Return

The internal rate of return is a rate of return on capital generated (or capable of being generated) within an investment over a period of ownership. The internal rate of return is a measure of investment performance, and can further be referred to as yield analysis. The computed annualized internal rate of return based on our valuation was 22.88% which provides significant incentive for an investor to undertake such an investment.

The results of our Discounted Cash Flow Analysis "before donation of a conservation easement" is presented on the following page.



Market Value Before Donation of Conservation Easement

Cash Flow Model For 11-lot Subdivision and Mar-a-Lago Club				
"Before Conservation Easement"				
No. of Lots	11	Aggregate Retail Value Lots:	\$155,500,000	
Retail Lot Values				
Lot 1/Ltd Ocean View	\$16,000,000	Lot 7/Ltd Ocean View	\$7,500,000	
Lot 2/Dry	\$15,000,000	Lot 8/Dry	\$6,000,000	
Lot 3/Dry	\$15,000,000	Lot 9/Dry	\$6,000,000	
Lot 4/Dry	\$15,000,000	Lot 10/Oceanfront	\$16,000,000	
Lot 5/Dry	\$15,000,000	Lot 11/Oceanfront	\$16,000,000	
Lot 6/Lakefront	\$28,000,000			
		<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
		7/07	7/08	7/09
Cash Flow		to 6/08	to 6/09	to 6/10
				<u>Year 4</u>
				7/10
				to 6/11
Projected Lot Sales				
		Lots 6, 7, 10, 11	Lots 1, 2, 8, 9	Lots 3, 4, 5
# of Lots Sold		4	4	3
Total Revenues from Lot Sales		\$67,500,000	\$43,000,000	\$45,000,000
Lot Development Costs		-\$1,279,850		
(See Schedule in Appraisal)				
Expenses - Lots				
Gen. & Administrative	0.50%	-\$337,500	-\$215,000	-\$225,000
Sales & Marketing	3.0%	-\$2,025,000	-\$1,290,000	-\$1,350,000
Utilities, Insurance, etc.	0.15%	-\$101,250	-\$64,500	-\$67,500
Real Estate Taxes	1.84%	-\$621,000	-\$395,600	-\$414,000
Total Expenses		(\$3,084,750)	(\$1,965,100)	(\$2,056,500)
NET INCOME BEFORE PROFIT - LOTS		\$63,135,400	\$41,034,900	\$42,943,500
REVENUE - CLUB MEMBERSHIPS				
Projected Membership Sales (68 unsold)		23	23	22
Membership Price		\$60,000	\$63,000	\$66,150
Membership Sales Revenue		\$1,380,000	\$1,449,000	\$1,455,300
Other Revenue Sources		\$8,515,000	\$8,770,450	\$9,033,564
(See Schedule in Appraisal)				
Total Club Revenues		\$9,895,000	\$10,219,450	\$10,488,864
Expenses from Club Operations		(\$7,600,050)	(\$7,828,052)	(\$8,062,893)
(See Schedule in Appraisal)				
NET INCOME BEFORE PROFIT - CLUB		\$2,294,950	\$2,391,399	\$2,425,970
				\$999,791
TOTAL NET INCOME - LOTS & CLUB		\$65,430,350	\$43,426,299	\$45,369,470
			Reversion	\$12,497,382
			Cost of Sale 3%	(\$374,921)
Developer's Profit	20.00%	(\$13,086,070)	(\$8,685,260)	(\$9,073,894)
NET INCOME AFTER PROFIT		\$52,344,280	\$34,741,039	\$48,418,037
Present Value of Net Income After Deducting Profit:				
		<u>Discount Rate</u>		
Net Present Value @		9%	=	\$114,650,721
Net Present Value @		11%	=	\$110,756,467
			Say,	\$113,000,000
Calculation of Yield				
Developer's Profit		\$13,086,070	\$8,685,260	\$9,073,894
Net Operating Income		\$52,344,280	\$34,741,039	\$48,418,037
Cash Flows	(\$113,000,000)	\$65,430,350	\$43,426,299	\$57,491,931
Internal Rate of Return		22.88%		



RECONCILIATION AND FINAL VALUE CONCLUSION

As a result of our investigation and analysis of the information obtained therefrom, as well as a general knowledge of real estate valuation procedures, it is our opinion that the Hypothetical Market Value of the Subject Property "before conservation easement", assuming that the property has 11 saleable lots, in addition to the critical features of the Mar-a-Lago Estate maintaining presence at its existing location, as of July 11, 2007, was: **\$113,000,000**.

It is also our opinion that the Market Value of the Fee Simple Estate of the Subject Property "after conservation easement", being the Mar-a-Lago private social club and all amenities as they currently exist, as of July 11, 2007 was: **\$26,000,000***.

** The "after" basis represents the sellout of remaining memberships. The club has already sold 86% of the memberships; therefore the majority of the value of the club memberships has already been accrued to the developer.*

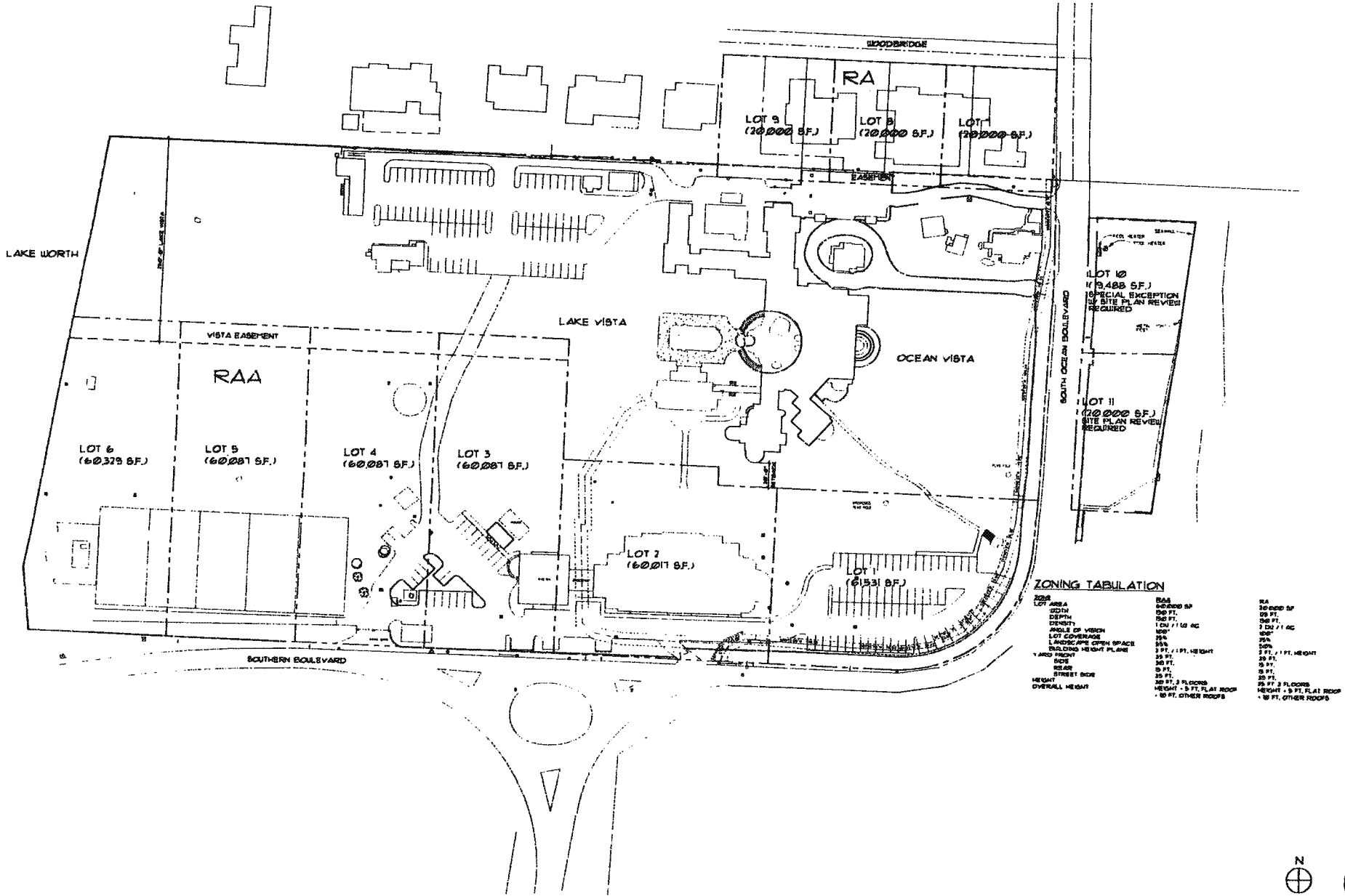
Therefore, the difference between the two values above is the value of the conservation easement. In our opinion, **the value of the conservation easement** as of July 11, 2007, was:

EIGHTY SEVEN MILLION DOLLARS
(\$87,000,000)

ADDENDA

SURVEY

SITE PLAN



the lawrence group

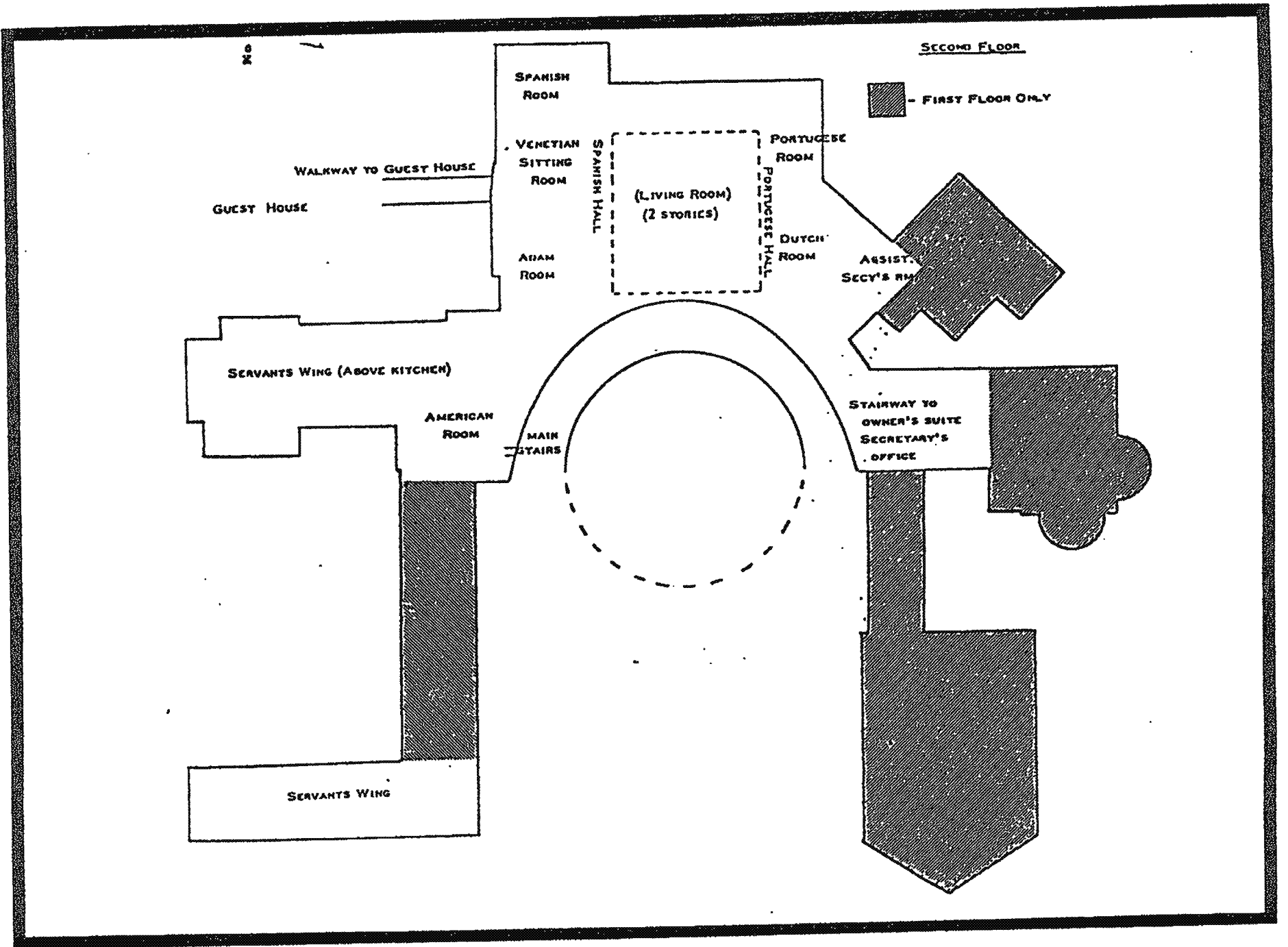
MAP-A-LAGO

the lawrence group

the lawrence group

the lawrence group

BUILDING LAYOUT



**DEED OF DEVELOPMENT RIGHTS,
DEED OF CONSERVATION EASEMENT,
& EXHIBITS**

Prepared by and after
recording return to:
Paul Rampell, Esq.
50 Coconut Row, Suite 220
Palm Beach, FL 33480

10/17/2002 12:07:53 20020547996
DR BK 14280 PG 0404
Palm Beach County, Florida
AMT 10.00
Doc Stamp 0.70

DEED OF DEVELOPMENT RIGHTS

WHEREAS, Mar-a-Lago Club, L.L.C., L.C., a Delaware Limited Liability Company, as successor in interest to The Mar-a-Lago Club, Inc., a Florida corporation, (the "Club") is the owner of real property described in Exhibit "A" attached hereto and incorporated herein by reference (the "Property");

WHEREAS, Donald J. Trump, his successor and assigns, ("Trump") is the holder of a contingent reversionary interest in the Property;

WHEREAS, the Club and Trump intend to forever extinguish their right to develop or use the Property for any purpose other than club use;

WHEREAS, the National Trust for Historic Preservation in the United States (the "National Trust") is the grantee of a Deed of Conservation and Preservation Easement recorded on April 6, 1995 in Official Record Book 8691, Page 764 of the Public Records of Palm Beach County, Florida (the "Preservation Easement");

WHEREAS, the Preservation Easement limits changes to the Property including, without limitation, the division or subdivision of the Property for any purpose, including use as single family homes, the interior renovation of the mansion, which may be necessary and desirable for the sale of the Property as a single family residential estate, the construction of new buildings and the obstruction of open vistas;

WHEREAS, the Preservation Easement requires the approval of changes that would be necessary for any change in use and therefore confines the usage of the Property to club usage without the express written approval of the National Trust; and

WHEREAS, the Club and Trump intend to establish as explicitly as possible that the Preservation Easement perpetuates the club usage of the Property consistent with the other limitations set forth in that Easement.

WITNESSETH

The Club and Trump, for good and valuable consideration the receipt and sufficiency of which is acknowledged, by these presents do hereby transfer, grant, bargain, sell, alien, remise, release, convey and confirm unto the National Trust, to the extent that such rights have not already been transferred through the Deed of Conservation and Preservation Easement, any and all of their rights to develop the Property for any usage other than club usage.

IN WITNESS WHEREOF, the parties have caused these presents to be executed in their names.

Signed, sealed and delivered in the presence of

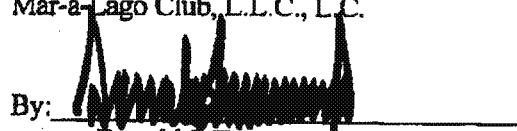


Norma F...
Printed Name



Rhona Graft-Ricci
Printed Name

Mar-a-Lago Club, L.L.C., L.C.

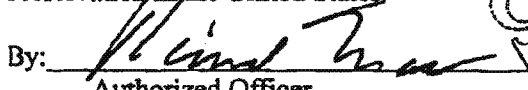
By: 

Donald J. Trump, President
Mar-a-Lago, Inc., Member



Donald J. Trump, individually

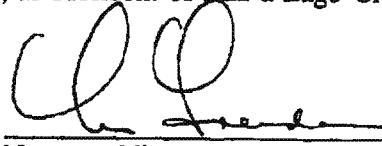
Acknowledged by National Trust for Historic Preservation in the United States

By: 
Authorized Officer
Richard Moe, President

Certified Copy

STATE OF
COUNTY OF

The foregoing instrument was acknowledged before me this 13th day of September, 2002, by Donald J. Trump, as President of Mar-a-Lago Club, Inc., and individually, who is personally known to me.



Notary Public

NORMA L. FOERSTER
NOTARY PUBLIC, State of New York
No. 91FD43494
Qualified in New York County
Commission Expires Sept. 28, 2005

This is not a certified copy

EXHIBIT A

Being all that part of the North 610.00 feet of the South 1170.00 feet of Government Lot 2 of Section 35, Township 43, South, Range 43 East, in the Town of Palm Beach, Palm Beach County, Florida, lying West of Ocean Boulevard (State Road A1A) Right of Way and more particularly described as follows, to-wit:

Beginning at a point on the West face of an existing seawall on the East shore of Lake Worth, which point is 560.00 feet North of, measured at right angles, to the South line of Government Lot 2 of said Section 35; thence North 6°09'22" West along the West face of said seawall for a distance of 77.32 feet; thence North 10°23'23" East along the West face of said seawall for a distance of 539.50 feet to a point in the South line of BINGHAM-COPP TRACT, a subdivision recorded in Plat Book 18, Page 6, Palm Beach County Public Records; thence run South 88°12'07" East along the South line of said BINGHAM-COPP TRACT for a distance of 1134.10 feet to a point in the Westerly right-of-way line of Ocean Boulevard (State Road A1A); thence run South 0°09'07" East for a distance of 82.39 feet to a point of curvature; thence run Southerly along the arc of a curve concaved to the Southwest having a radius of 1412.69 feet and a central angle of 3°03'00" for a distance of 75.20 feet to a point of tangency; thence run South 2°53'53" West for a distance of 176.28 feet to a point of curvature; thence run Southwesterly along the arc of a curve concaved to the Northwest having a radius of 2968.36 feet and a central angle of 2°27'30" for a distance of 127.36 feet to a point of compound curvature; thence continue Southwesterly along the arc of a curve, concaved to the Northwest having a radius of 158.68 feet and a central angle of 86°26'30" for a distance of 239.40 feet to a point of tangency; thence run North 88°12'07" West along the North line of Southern Boulevard (State Road 80) for a distance of 1040.43 feet to the POINT OF BEGINNING;

and

The West one-half (W 1/2) of Lot 20 and the South 15 feet of the East one-half (E 1/2) of Lot 20 and the South 15 feet of the West one-half (W 1/2) of Lot 21, all in BINGHAM-COPP TRACT, a subdivision in the Town of Palm Beach, Palm Beach County, Florida, as recorded in Plat Book 18, Page 6, Palm Beach County Public Records;

Together with an easement for the use of the tunnel as described in that certain Quit Claim Easement Deed recorded in Official Record Book 2327, Page 1970 of the Palm Beach County Public Records;

and

The South 358.00 feet of the North 403.00 feet of the South 1170.00 feet of Government Lot 2, Section 35, Township 43 South, Range 43 East, Palm Beach County, Florida, lying East of Ocean Boulevard (State Road A1A) as now laid out and in use; together with all riparian and littoral rights, if any, thereunto appertaining.

Please record and return to:
Paul Rampell, Esq.
Suite 202
125 Worth Avenue
Palm Beach, FL 33480-4466

Property Control No.
50-43-43-35-00-002-0390

Grantee Tax I.D. No.
53-0210807

APR-06-1995 5:06PM 95-106767
ORB 8691 Ps 764
10.00 Doc .75
C88

DEED OF CONSERVATION AND PRESERVATION EASEMENT
FROM
DONALD J. TRUMP
TO
NATIONAL TRUST FOR HISTORIC PRESERVATION
IN THE UNITED STATES

DBE 8691 FS 765

**DEED OF CONSERVATION AND PRESERVATION EASEMENT
FROM
DONALD J. TRUMP
TO
NATIONAL TRUST FOR HISTORIC PRESERVATION
IN THE UNITED STATES**

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(not part of the Deed)

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DEED OF CONSERVATION AND PRESERVATION EASEMENT

THIS GRANT DEED OF CONSERVATION AND PRESERVATION EASEMENT is made by **DONALD J. TRUMP**, a resident of New York, who with his successors in title to all or any portion of the Property as hereinafter defined is herein referred to as "Grantor," in favor of the **NATIONAL TRUST FOR HISTORIC PRESERVATION IN THE UNITED STATES**, a non-profit charitable corporation chartered under an Act of Congress, 16 U.S.C. Section 468-468(d), with a business address at 1785 Massachusetts Avenue, N.W., Washington, D.C. 20036, herein referred to as "Grantee," and Union Labor Life Insurance Company, with a business address at 111 Massachusetts Avenue, N.W., Washington, DC 20001 herein referred to as "Lender."

WHEREAS, Grantor is the owner in fee simple of certain real property known as Mar-a-Lago (the "Property") in the Town of Palm Beach, Palm Beach County, Florida, totalling 17 acres more or less, more particularly described in Exhibit A, attached hereto and incorporated herein by this reference; and

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WHEREAS, Mar-a-Lago is listed in the United States Department of the Interior's National Register of Historic Places and has been declared by the Secretary of the Interior to be of national significance and designated by Act of Congress as a National Historic Landmark; and

WHEREAS, Mar-a-Lago is regularly viewed by thousands of residents of Palm Beach and countless tourists to the Palm Beach area, from Ocean Boulevard, from Lake Worth, and from the Southern Boulevard Bridge; and

WHEREAS, many features of Mar-a-Lago, hereinafter collectively the "Critical Features," more particularly described in Exhibit B, attached hereto and incorporated herein by this reference, including the main house (the "Mansion") and a number of rooms therein, certain of the surrounding structures and improvements, and vistas from the Mansion, possess significant architectural, historic, scenic, and open space values of great importance to Grantor, to Grantee, and to the people of the Town of Palm Beach, the State of Florida, and the United States of America; and

WHEREAS, additional structures on those portions of the Property not included within the Critical Features may adversely impact the architectural, historic, scenic, and open space values of the Critical Features; and

WHEREAS, the specific architectural, historic, scenic, and open space values of the Critical Features are documented in a report, a counterpart to be kept on file at the offices of each of Grantor and Grantee and incorporated herein by this reference, which documentation ("Baseline Documentation") the parties agree provides an accurate representation of the Critical Features and the Property as of the effective date of this grant and which is intended to serve as an objective information baseline for monitoring compliance with the terms of this grant. In the

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event of any discrepancy between the counterparts produced, the counterpart retained by Grantee shall control; and

WHEREAS, the Baseline Documentation shall consist of the following: Historic American Buildings Survey No. FLA-195, by the National Park Service's Office of Archeology and Historic Preservation; Review and Comment by Clarion Associates, Inc., Decker and Kemp and Glenn Herbert (1991); The Mar-a-Lago Club: A Special Exception Use and Preservation Plan by Eugene Lawrence, Joseph B. Pollock, Jr. and Paul Rampell, Esq. (1993), as the same may be amended from time to time (the "Plan"), including all references in the Bibliography included therein; the value ratio referenced in paragraph 12.1; and a comprehensive photographic survey of Mar-a-Lago by Grantee; and

WHEREAS, Grantor intends, as owner of the Property, to convey to Grantee the right to preserve and protect the Critical Features in perpetuity; and

WHEREAS, Grantee is a publicly supported, tax-exempt, non-profit organization whose primary purposes are to facilitate public participation in the preservation of sites, buildings, and objects of national significance and to receive donations of sites, buildings and objects significant in the history and culture of the United States; and

WHEREAS, Grantee represents that Grantee is a "qualified conservation organization," as that term is defined in Section 170(h) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder (the "Code"); and

WHEREAS, Grantee has received a letter from the Internal Revenue Service, dated October 20, 1970, on file at the offices of Grantee, to the effect that Grantee is not a private foundation within the meaning of Section 509(a) of the Code; and

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WHEREAS, Grantor and Grantee recognize the architectural, historic, scenic, and open character of the Critical Features, and have the common purpose of the conservation, preservation, and protection in perpetuity of the Critical Features through the use of restrictive covenants and with the transfer from Grantor to Grantee of affirmative rights for the protection of the Critical Features, intending the grant of such restrictive covenants and rights to qualify as a "qualified conservation contribution" as that term is defined under Section 170(h)(2)(C) of the Code;

WHEREAS, Grantor and Grantee shall use all reasonable efforts to make any determinations that are necessary or are contemplated to be made by them (either separately or jointly) under this Easement (as hereinafter defined) and shall cooperate with one another and shall take all other reasonable action suitable to that end; and

WHEREAS, Grantee shall evaluate Grantor's requests under this Easement based on its good faith exercise of professional judgment;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, in consideration of the above and the mutual covenants, terms, conditions, and restrictions contained herein, and pursuant to Section 170(h) of the Code and the laws of the State of Florida, in particular Section 704.06, Florida Statutes, Grantor hereby voluntarily grants and conveys to Grantee and its successors and permitted assigns a conservation and preservation easement (the "Easement") in perpetuity with respect to the Critical Features and the Property of the nature and character and to the extent hereinafter set forth. Grantor herein declares that the Property shall be held, transferred, sold, conveyed, used, and occupied subject to the covenants, conditions, restrictions, and easements hereinafter set forth, which covenants, conditions, restrictions, and easements

- 4 -

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shall constitute restrictive covenants and shall be deemed to run with the land in perpetuity and to burden the Critical Features and the Property in perpetuity.

PURPOSE

1. Purpose. It is the purpose of this Easement to assure that the Critical Features will be retained forever predominantly in their historic, scenic, and open space condition for conservation and preservation purposes.

GRANTOR'S COVENANTS

2. Covenant to Maintain.

2.1 In General. Subject to the provisions of paragraphs 5, 6, and 7:

(a) Grantor agrees at all times to maintain the Critical Features in substantially the form and condition existing on the effective date of this Easement as documented in the Baseline Documentation. Grantor's obligation to maintain shall require replacement, rebuilding, repair, and reconstruction by Grantor whenever reasonably necessary to preserve the Critical Features in substantially the form and condition, and with substantially similar materials, and, as appropriate, with substantially similar plantings, vegetation, and natural screening, to that existing on the effective date of this Easement. Grantor's obligation to maintain shall also include the obligation to keep the landscape and flower and vegetable beds regularly tended, lawns mowed, and vegetation pruned and cut back as necessary, and the Property protected against erosion from Lake Worth.

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(b) All maintenance, repair, rehabilitation, or other work performed on the Critical Features shall be performed strictly according to the Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings (36 CFR 67) of the United States Department of the Interior, as the same may be amended from time to time (the "Standards for Rehabilitation").

2.2 **Prohibited Activities.** The following acts or uses are expressly forbidden on, over, or under the Property:

(a) demolition, removal, or razing the Critical Features except as otherwise regulated or permitted in this Easement;

(b) constructing or erecting new buildings and structures within and upon such areas defined and described as Critical Features, including by example but not limited to satellite receiving dishes, camping accommodations, mobile homes, and permanent structures, except for temporary purposes pursuant to paragraph 5.1(f) hereof;

(c) displaying or placing signs, billboards, or advertisements on the Property and its Critical Features except as specifically provided at paragraph 3(e) hereof and to identify the Property or its owner; and

(d) dumping ashes, trash, rubbish or any other unsightly or offensive materials on the Property, except the temporary storage of waste generated by permitted activities and uses at the Property is permitted.

RIGHTS OF GRANTEE: ACCESS

3. **Affirmative Rights of Grantee.** Grantor hereby grants the following rights to Grantee:

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(a) to prevent Grantor or third persons (whether or not claiming by, through, or under Grantor) from conducting any activity or use with respect to the Critical Features that is inconsistent with the purpose of this Easement, and to require of Grantor or third persons the replacement, or the restoration to the extent practicable, of such Critical Features that may be damaged by any inconsistent activity or use;

(b) upon fourteen (14) days' prior notice to Grantor, and without unreasonably interfering with Grantor's use and quiet enjoyment of the Property as restricted by this Easement, to enter upon the Property at reasonable times and in a reasonable manner in order to monitor Grantor's compliance with and otherwise enforce the terms of this Easement, and further provided that in the absence of evidence which gives Grantee a reasonable basis to believe there has been deterioration of the Mansion Rooms, as the Mansion Rooms are identified in Exhibit B, or a violation of the provisions of this Easement with respect to the Mansion Rooms (which evidence shall be made available to Grantor), inspection of the interior of the Mansion shall occur not more often than annually at times mutually agreed upon by Grantor and Grantee. The rights granted in this paragraph 3(b) shall generally be exercised by Grantee's employees, members of Grantee's Board of Trustees, and members of Grantee's Board of Advisors but may be delegated to Grantee's contractors and to employees of any organization qualified under Section 170(h) of the Code as a "qualified conservation organization" and qualified under the laws of the State of Florida as an organization eligible to receive this Easement directly. Notwithstanding the provisions of the preceding sentence, delegation under this paragraph 3(b) to agents, trustees, and employees of the Preservation Foundation of Palm Beach, Inc., or the Palm Beach Civic Association, Inc., or their successors, during such time as Donald J. Trump is living

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and not under legal disability and is the owner of the Property or all of, or a majority interest in, any entity which then is the owner of the Property, shall be subject to the prior written approval of Donald J. Trump, which approval may be withheld at the sole discretion of Donald J. Trump;

(c) to enforce this Easement in the case of breaches by Grantor or by third persons (whether or not claiming by, through, or under Grantor) by appropriate legal proceedings, after providing Grantor with at least sixty (60) days' notice and opportunity to cure;

(d) to obtain injunctive and other equitable relief against any violations, including without limitation relief requiring removal of offending structures and vegetation and other restoration of the Critical Features to the condition that existed prior to any such violation (it being agreed that Grantee will have no adequate remedy at law). In the event Grantee seeks legal, injunctive, or other equitable relief, Grantee shall not be required to post bond and Grantee shall not be required to demonstrate irreparable harm or injury to secure such legal, injunctive, or other equitable relief;

(e) to secure, perfect, confirm, and foreclose any lien authorized under this Easement in the same manner as a construction lien; and

(f) to provide and maintain two plaques on the Property, which may be placed on the exterior and interior of the Mansion or elsewhere on the Property, each of which shall not exceed 24 inches by 24 inches in size, with notice of the historic and architectural significance of the Property and its structures and the existence of this Conservation and Preservation Easement.

3.1 Acts Beyond Grantor's Control. Nothing contained in this Easement shall be construed to entitle Grantee to bring any action against Grantor for any injury to or changes in

OR8 8691 Ps 776

the Critical Features or the Property resulting from causes beyond Grantor's control, including, without limitation, acts of trespassers, fire, flood, windstorm, hurricane, earth movement, and tree disease, or from any prudent action taken by Grantor under emergency conditions to prevent, abate, or mitigate significant injury to the Critical Features or the Property resulting from such causes. Notwithstanding the foregoing, nothing herein shall preclude Grantor's and Grantee's rights to pursue any third party for damages to the Critical Features or the Property from vandalism, trespass, or any violation of the terms of this Easement.

3.2 Compliance Certificates. Upon request by Grantor, Grantee shall within thirty (30) days execute and deliver to Grantor at Grantor's request a written document, including an estoppel certificate or compliance certificate, substantially in the form of Exhibit C, attached hereto and incorporated herein by this reference, to certify to the best of Grantee's knowledge Grantor's compliance with any obligation of Grantor contained in this Easement, or otherwise to evidence the status of this Easement to the extent of Grantee's knowledge thereof.

4. Access. No right of access to any portion of the Property is conveyed by this Easement, except as expressly provided in paragraph 3 and this paragraph 4.

4.1 Access for Viewing and Study. Grantor hereby agrees to hold open the Property under the following terms and conditions:

- (a) Grantor hereby agrees to hold open the Property (not including the interior of the Mansion) to viewing by not more than 100 visitors from the public (who otherwise have no legal ownership or use rights with respect to the Property) one day each year.

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(b) Grantor hereby further agrees to hold open the Property, including the interior of the Mansion, not less than one additional day each year to viewing by not more than twenty (20) visitors (who otherwise have no legal ownership or use rights with respect to the Property) on each visit, for the purpose of viewing and studying the historic and architectural characteristics of the Property.

(c) Grantor agrees not to obstruct the view of the Mansion from Ocean Boulevard, Lake Worth, and the Southern Boulevard Bridge.

GRANTOR'S RIGHTS

5. Grantor's Rights.

5.1 **Rights Not Requiring Further Approval by Grantee.** The following rights, uses, and activities of or by Grantor on, over, or under the Property are permitted by this Easement and by Grantee without further approval by Grantee:

(a) the right to engage in those acts or uses permitted by governmental statute or regulation that are not expressly prohibited or regulated by this Easement;

(b) the right to perform work, exercise the rights and privileges contemplated by, and engage in those uses of the Property permitted by the Plan and by the Declaration of Use Agreement (the "Declaration") dated August 10, 1993, between the Town of Palm Beach, The Mar-a-Lago Club, Inc., and Grantor, recorded in the Public Records of Palm Beach County, Florida, in Official Record Book 7933, Page 22, as the Plan and/or the Declaration may be amended from time to time, provided that (i) such uses are not specifically prohibited or

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regulated by this Easement, and (ii) such amendment(s) to the Plan and/or Declaration are not inconsistent with the purpose of this Easement;

(c) pursuant to the provisions of paragraph 2.1, the right to maintain and repair the Critical Features strictly according to the Standards for Rehabilitation. As used in this paragraph 5.1(c), the right to maintain and repair shall mean the use by Grantor of in-kind materials and colors, applied with workmanship comparable to that which was used in the construction or application of those materials being repaired or maintained, for the purpose of retaining in good condition the appearance and construction of the Property. The right to maintain and repair as used in this paragraph 5.1(c) shall not include the right to make changes in appearance, materials, colors, and workmanship from that existing prior to the maintenance and repair;

(d) after consultation with Grantee before construction of the modifications has commenced, the right to modify the Critical Features as necessary to conform to the Code of Ordinances of the Town of Palm Beach, provided that such modification is not in response to a request or application by Grantor to the Town of Palm Beach (i) to replace, alter, remodel, rehabilitate, enlarge, or remove, or change the appearance, materials, or colors of, any of the Critical Features (collectively, an "alteration of the Critical Features"), or (ii) for a change in the use of the Property that would require an alteration of the Critical Features;

(e) subject to the preservation of the Open Vistas, as the Open Vistas are identified in Exhibit B, the right to restore, enhance, upgrade, or alter from time to time the golf course and putting green, identified in Exhibit B; and

DAB 8691 PS 779

(f) the right to erect reasonably necessary temporary structures in connection with any permitted activities at or on the Property.

5.2 Conditional Rights Requiring Approval by Grantee. The following rights, uses, and activities of or by Grantor on, over, or under the Property are permitted by this Easement only with the prior written approval of Grantee, which approval may be withheld or conditioned in Grantee's sole discretion:

(a) subject to the provisions of paragraph 6, the right to replace, alter, remodel, rehabilitate, enlarge, or remove, and change the appearance, materials, topography, and colors of, any of the Critical Features;

(b) subject to the provisions of paragraph 6, the right to construct new permanent structures on those portions of the Property that are not attached to, a part of, or contained within the Critical Features, including but not limited to appurtenant docks or wharves, and additions thereto; and

(c) subject to the provisions of paragraph 6, the right to divide or subdivide the Property.

6. Review of Grantor's Proposals. In connection with the conditional rights reserved under paragraphs 5.2 and 7, Grantor shall submit to Grantee for Grantee's approval two copies of information (including plans, specifications, and designs when appropriate) identifying the proposed activity with reasonable specificity. In connection therewith, Grantor shall also submit to Grantee a timetable for the proposed activity sufficient to permit Grantee to monitor such activity, and shall notify Grantee in writing of any change to the timetable. Within 30 (thirty) days of Grantee's receipt of any plan or request for approval hereunder, Grantee shall

088 2691 Ps 780

certify in writing that (a) it approves the plan or request, or (b) it disapproves the plan or request as submitted, in which case Grantee shall provide Grantor with written suggestions for modification or a written explanation for Grantee's disapproval. Grantor may resubmit to Grantee revised information (including plans, specifications, and designs when appropriate) that incorporates Grantee's proposed modifications or may submit entirely new information with a new timetable, if appropriate. Any failure by Grantee to act within 30 (thirty) days of receipt of Grantor's submission or resubmission of plans or requests shall be deemed to constitute approval by Grantee of the plan or request as submitted and to permit Grantor to undertake the proposed activity in accordance with the plan or request submitted. In exercising review authority, Grantee shall apply the Standards for Rehabilitation. With respect to new proposed permanent structures on those portions of the Property that are not attached to, a part of, or contained within the Critical Features, Grantee's review authority shall be limited to considerations of size, scale, color, and architectural features as these may physically or visually impact the Critical Features.

7. Casualty Damage or Destruction. Notwithstanding any other provision herein to the contrary, in the event of damage or destruction to the Critical Features, in whole or in part, caused by fire, flood, windstorm, hurricane, earth movement, or other casualty:

(a) (i) Grantor and Grantee may agree on plans and specifications for rehabilitation, restoration, removal, or replacement of the Critical Features in accordance with the provisions of paragraph 6, and Grantor shall pay the cost of such rehabilitation or other work, but in no event shall Grantor be liable for an amount exceeding the amount of the casualty insurance proceeds recoverable by Grantor as a result of such damage or destruction; or (ii) Grantor and Grantee may agree that the purpose of this Easement has been rendered impossible to accomplish

088 8691 Ps 743

and may join in an action to extinguish this Easement in whole or in part, subject to the provisions of paragraph 12.

(b) Notwithstanding any other provision herein, in the event that the Mansion is destroyed or substantially destroyed by casualty damage or destruction as determined and agreed to by Grantor and Grantee, Grantor shall have no obligation to rebuild the Mansion. In such event Grantor and Grantee herein agree to join in an action to extinguish this Easement, subject to the provisions of paragraph 12.

COSTS; INDEMNIFICATION; INSURANCE

8. **Costs, Liabilities, and Taxes.** Grantor retains all responsibilities and shall bear all costs and liabilities of any kind related to the ownership, operation, upkeep, and maintenance of the Property, including the maintenance of general liability insurance coverage as set forth in paragraph 9 below, except as provided in paragraph 8.1 with respect to the payment of enforcement costs.

8.1 **Enforcement Costs.** In connection with any action to enforce the terms of this Easement, the prevailing party shall be entitled to costs of suit, including reasonable attorneys', architectural, engineering, and expert witness fees and disbursements. In the event Grantee is entitled to such costs of suit, such costs, until discharged, shall constitute a lien on the Property with the same effect and priority as a construction lien.

8.2 **Indemnification.** Grantor hereby agrees to indemnify, hold harmless, and defend at its own cost and expense, Grantee, its agents, trustees, employees, and independent contractors, from and against any and all claims, liabilities, expenses, costs, damages, losses, and

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expenditures (including reasonable attorneys' fees and disbursements hereafter incurred) arising out of or in connection with injury to or the death of any person, or physical damage to the Property, or other injury or other damage occurring on or about the Property, unless such injury or damage is caused by Grantee or any agent, trustee, employee, or contractor of Grantee. If any action or proceeding shall be brought against Grantee or any agent, trustee, employee, or contractor of Grantee, based upon any such claim, and if Grantor, upon notice thereof from Grantee, shall cause such action or proceeding to be defended at Grantor's expense by counsel satisfactory to Grantee, Grantor shall not be required to indemnify Grantee, or any agent, trustee, employee, or contractor of Grantee, for additional attorneys' fees and disbursements in connection with such action or proceeding. In the event Grantor is required to indemnify Grantee, the amount of such indemnity shall constitute a lien on the Property with the same effect and priority as a construction lien.

9. **Insurance.** Grantor at Grantor's sole expense shall keep those portions of the interior and exterior of the Mansion and Property Manager's Complex identified as Critical Features insured against loss from fire and other casualties, including extended coverage and all risk insurance, with change in condition and building ordinance coverage, in form and amount sufficient in all events to replace fully the damaged Critical Features without cost or expense to Grantor or contribution or coinsurance from Grantor. The balance of the Mansion and Property Manager's Complex shall be kept insured against loss from fire and other casualties as would commonly be covered in connection with historic property in the Town of Palm Beach under Florida standard fire and extended coverage policies in an amount equal to their fair market values. All such insurance shall provide for at least thirty (30) days' notice to Grantee before

ORB 8591 Ps 783

cancellation or material change by the insurance carrier. Grantor shall deliver to Grantee, within ten (10) business days of Grantee's written request therefor, certificates of such insurance coverage.

ASSIGNMENT BY GRANTEE

10. Assignment by Grantee.

10.1 **In General.** The benefits of this Easement shall be in gross. This Easement shall be assignable by Grantee provided that (a) as a condition of any assignment, Grantee requires that the purpose of this Easement continues to be carried out; and (b) the assignee, selected by Grantee in its sole discretion, at the time of assignment qualifies under Section 170(h) of the Code as a "qualified conservation organization" and qualifies under the laws of the State of Florida as an eligible donee to receive this Easement directly. Notwithstanding the provisions of the preceding sentence, assignment under the provisions of this paragraph 10.1 to the Preservation Foundation of Palm Beach, Inc., or the Palm Beach Civic Association, Inc., or their successors, during such time as Donald J. Trump is living and not under legal disability and is the owner of the Property or all of, or a majority interest in, any entity which then is the owner of the Property, shall be subject to the prior written approval of Donald J. Trump, which approval may be withheld at the sole discretion of Donald J. Trump. Without limiting Grantee's discretion under this paragraph 10.1, Grantee agrees to notify Grantor in writing at least sixty (60) days prior to any assignment or proposed assignment of this Easement under this paragraph 10.1.

10.2 **Grantor's Right to Request Assignment.** Notwithstanding the provisions of paragraph 10.1, Grantor may submit to Grantee a request for assignment of this Easement to a

ORB 8691 PS 754

"qualified conservation organization," as that term is defined in Section 170(h) of the Code, designated in writing by Grantor. After Grantee's written approval of such request for assignment, which approval may be withheld in Grantee's sole discretion, Grantee as promptly as practicable will assign by recorded instrument substantially in the form of Exhibit D, attached hereto and incorporated herein by this reference, all the right, title, and interest of Grantee under this Easement (together with the original total of those funds, excluding accrued earnings, if any, transferred to Grantee by Grantor as an easement administration endowment fund pursuant to a letter dated March 15, 1994, from Grantee to Grantor, less any amounts expended by Grantee directly in connection with its administration of this Easement, all of which funds shall be separately accounted for by Grantee). The instrument of assignment shall contain provisions whereby the assignee affirmatively accepts assignment, expressly represents that it is qualified to accept assignment under the conditions of this paragraph 10.2 (which conditions will be incorporated in their entirety in the instrument of assignment), and assumes the obligations on the part of Grantee to be performed under this Easement. The right to request assignment reserved in this paragraph 10.2 shall (a) be exercisable only by Donald J. Trump during such time as Donald J. Trump is living and not under any legal disability and is the owner of the Property or all of, or a majority interest in, any entity which then is the owner of the Property; and (b) not be exercisable if Grantor has received written notice from Grantee of a claimed violation of the terms of this Easement and such matter remains unresolved or if there is a judicial action or proceeding (brought by Grantee) pending against Grantor to enforce the terms of this Easement.

086 8693 Pg 785

AMENDMENT: EXTINGUISHMENT

11. **Limitations on Amendment.** If circumstances arise under which an amendment to or modification of this Easement would be appropriate, Grantor and Grantee may by mutual written agreement jointly amend this Easement, provided that no amendment shall be made that will adversely affect the qualification of this Easement or the status of Grantee under any applicable laws, including Sections 170(h) and 501(c)(3) of the Code and the laws of the State of Florida. Any such amendment shall be consistent with the purpose of this Easement; shall not affect its perpetual duration; shall not permit any private inurement to any person or entity; and shall not adversely impact the overall architectural, historic, scenic, and open space values protected by this Easement. Any such amendment shall be recorded in the Public Records of Palm Beach County, Florida. Nothing in this paragraph shall require Grantor or Grantee to agree to any amendment or to consult or negotiate regarding any amendment.

12. **Extinguishment.** If circumstances arise in the future that render the purpose of this Easement impossible or impractical to accomplish, this Easement can be terminated or extinguished, whether with respect to all or part of the Critical Features or the Property, only by judicial proceedings brought by Grantor or Grantee in a court of competent jurisdiction. Unless otherwise required by applicable law at the time, in the event of any sale of all or a portion of the Property (or any other property received in connection with an exchange or involuntary conversion of the Property) after such termination or extinguishment, and after the satisfaction of prior claims and net of any costs or expenses associated with such sale, Grantor and Grantee shall divide the proceeds from such sale (minus any amount attributable to the value of improvements made by Grantor after the effective date of this Easement, which amount is reserved to Grantor)

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in accordance with their respective percentage interests in the fair market value of the Property, as such percentage interests are determined under the provisions of paragraph 12.1, adjusted, if necessary, to reflect a partial termination or extinguishment of this Easement. All such proceeds received by Grantee shall be used by Grantee in a manner consistent with Grantee's primary purposes. This paragraph shall survive any extinguishment of the Easement and, in the event of extinguishment, is intended to constitute a lien against the Property.

12.1 Percentage Interests. For purposes of allocating proceeds pursuant to this paragraph 12, the parties hereto stipulate that as of the effective date of this grant the Easement and the restricted fee interest in the Property each represent a percentage interest in the fair market value of the Property. Said percentage interests shall be determined by the ratio of the value of the Easement on the effective date of this grant to the value of the Property, without deduction for the value of the Easement, on the effective date of this grant. The values on the effective date of this grant shall be those values prescribed by federal regulation, including the value allowed as a deduction for federal income tax purposes attributable to this Easement. The parties shall include the ratio of those values with the Baseline Documentation (on file at Grantor's and Grantee's offices) and shall amend such values, if necessary, to reflect any final determination thereof by the Internal Revenue Service or court of competent jurisdiction. For purposes of this paragraph, the ratio of the value of the Easement to the value of the Property unencumbered by the Easement shall remain constant, and the percentage interests of Grantor and Grantee in the fair market value of the Property thereby determinable shall remain constant.

12.2 Condemnation. If all or any part of the Property is taken under the power of eminent domain by public, corporate, or other authority, or otherwise acquired by such authority

ORE 8691 Pa 767

through a purchase in lieu of a taking, Grantor and Grantee shall respectively be entitled to compensation in accordance with their respective percentage interests in the fair market value of the Property, as determined under the provisions of paragraph 12.1.

GENERAL PROVISIONS

13. **General Provisions.**

13.1 **Controlling Law.** The interpretation and performance of this Easement shall be governed by the laws of the State of Florida.

13.2 **Construction.** Any general rule of construction to the contrary notwithstanding, this Easement shall be construed broadly to effect the purpose of this Easement and the policy and purposes of Grantee. If any provision in this instrument is found to be ambiguous, an interpretation consistent with the purpose of this Easement that would render the provision valid shall be favored over any interpretation that would render it invalid.

13.3 **Severability.** If any provision of this Easement or the application thereof to any person or circumstance is found to be invalid, the remainder of the provisions of this Easement shall not be affected thereby.

13.4 **Entire Agreement.** This instrument sets forth the entire agreement of the parties with respect to the Easement and supersedes all prior discussions, negotiations, understandings, or agreements relating to the Easement, all of which are merged herein. No alteration or variation of this instrument shall be valid or binding unless contained in an amendment that complies with paragraph 11.

088 8691 Ps 788

13.5 Successors. The covenants, terms, conditions, and restrictions of this Easement shall be binding upon and inure to the benefit of the parties hereto and their respective personal representatives, heirs, successors, and assigns and shall continue as a servitude running in perpetuity with the Property, provided that any owner of the Property is not responsible for breaches of the terms hereof that occur after that owner ceases to have any ownership interest in the Property.

13.6 Transfers by Grantor. Grantor agrees to incorporate by reference the terms of this Easement in any deed or other legal instrument by which Grantor transfers any ownership or possessory interest in the Property. Grantor further agrees to give written notice to Grantee of the proposed transfer of any such interest at least sixty (60) days prior to the date of such transfer. The failure of Grantor to perform any act required by this paragraph shall not impair the validity of this Easement or limit its enforceability in any way.

13.7 Notices. Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other shall be in writing and either served personally or sent by first class mail, postage prepaid, addressed as follows:

To Grantor: Mr. Donald J. Trump
The Trump Organization
725 5th Avenue, 26th Floor
New York, NY 10022

With a copy to: Stephen J. Small, Esq.
Law Office of Stephen J. Small, Esq.
75 Federal Street, Suite 1100
Boston, MA 02110-1911

To Grantee: National Trust for Historic Preservation
in the United States
1785 Massachusetts Ave., N.W.
Washington, D.C. 20036
Attn: President

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With a copy to: General Counsel
National Trust for Historic Preservation
in the United States
1785 Massachusetts Ave., N.W.
Washington, D.C. 20036

or to such other address as any of the above parties from time to time shall designate by written notice to the others.

13.8 **Effective Date.** Grantor and Grantee intend that the restrictions arising hereunder take effect on the day and year this DEED OF CONSERVATION AND PRESERVATION EASEMENT is recorded in the Public Records of Palm Beach County, Florida, after all required signatures have been affixed hereto. Grantee may re-record this instrument at any time as may be required to preserve its rights in this Easement. Grantor shall cause this Easement to be recorded in the Public Records of Palm Beach County, Florida, as soon as administratively possible after all required signatures have been affixed hereto. Grantee shall be provided the original recorded Easement; Grantor shall retain a copy of the recorded Easement.

13.9 **Subordination.** Lender is the holder of a Note secured by a mortgage dated April 6, 1975, and recorded in Official Record Book 8811, Page 814, of the Public Records of Palm Beach County, Florida (the "Mortgage"), which subjects the Property to Lender's lien. Lender hereby consents to the terms and intent of this DEED OF CONSERVATION AND PRESERVATION EASEMENT and agrees that the lien represented by the Mortgage shall be subject and subordinate to the interest conveyed by this DEED OF CONSERVATION AND PRESERVATION EASEMENT, to the same effect as if this DEED

ORR 8691 Ps 790

OF CONSERVATION AND PRESERVATION EASEMENT had been executed, delivered, and recorded immediately prior to the execution, delivery, and recording of the Mortgage.

TO HAVE AND TO HOLD, the said Conservation and Preservation Easement, unto the said Grantee and its successors and permitted assigns forever. This DEED OF CONSERVATION AND PRESERVATION EASEMENT may be executed in several counterparts and by each party on a separate counterpart, each of which when so executed and delivered shall be an original, but all of which together shall constitute one instrument.

IN WITNESS WHEREOF, Grantor, Grantee, and Lender have set their hands under seal on the days and year set forth below.

Signed, sealed and delivered in the presence of:

[Signature]
Signature of Witness

Anthony P. Senecal
Printed Name of Witness

[Signature]
Signature of Witness

Howard Willson
Printed Name of Witness

GRANTOR:

[Signature]
Signature

26 March 1995
Date

DONALD J. TRUMP
Printed Name

725 Fifth Avenue
New York, NY 10022
Post Office Address

ACCEPTED BY GRANTEE:

NATIONAL TRUST FOR HISTORIC PRESERVATION IN THE UNITED STATES

By: *[Signature]*
Its: President

March 30, 1995
Date

LENDER hereby joins this Deed Solely for the purpose of consenting to Section 13.9 hereof
UNION LABOR LIFE INSURANCE COMPANY

By: *[Signature]*
Its: President

4/3/95
Date

ORB 8693 ts 793

STATE OF FLORIDA)
COUNTY OF PALM BEACH)

I hereby Certify that on this day, before, me, an officer duly authorized to administer oaths and take acknowledgments, personally appeared DONALD J. TRUMP, known to me to be the person described in and who executed the foregoing instrument, who acknowledged before me that he executed the same, that he is personally known to me and that an oath was not taken.

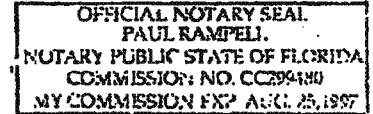
Witness my hand and official seal in the County and State
last aforesaid this 26 day of MARCH, 1995

Paul Rampell
Notary Public

PAUL RAMPPELL
Printed Name of Notary Public

Commission No.: CC 299480

Commission Expires: 25 AUG 1997



WASHINGTON, D.C.

I hereby Certify that on this day, before, me, an officer duly authorized to administer oaths and take acknowledgments, personally appeared RICHARD MOE, known to me to be President of the National Trust for Historic Preservation in the United States, the person described in and who executed the foregoing instrument, who acknowledged before me that he executed the same, that he is personally known to me and that an oath was not taken.

Witness my hand and official seal in the District of
Columbia this 30th day of March, 1995

Barbara J. Darling
Notary Public

BARBARA J. DARLING
Printed Name of Notary Public

Commission No.: _____

Commission Expires: 2/28/2000



DRB 8691 Ps 792

WASHINGTON, D.C.

I hereby Certify that on this day, before, me, an officer duly authorized to administer oaths and take acknowledgments, personally appeared Thomas C. Perkins, known to me to be Vice President of Union Labor Life Insurance Company, the person described in and who executed the foregoing instrument, who acknowledged before me that he executed the same, that he is personally known to me and that an oath was not taken.

Witness my hand and official seal in the District of Columbia this 3rd day of April, 1995

Lavolya R. Williams
Notary Public

Lavolya R. Williams
Printed Name of Notary Public

Commission No.: _____ Lavolya R. Williams
Notary Public, District of Columbia
Commission Expires: _____ My Commission Expires Nov. 14, 1998

ORB 8691 Ps 793

**EXHIBIT A
TO
CONSERVATION AND PRESERVATION EASEMENT
FROM
DONALD J. TRUMP
TO
NATIONAL TRUST FOR HISTORIC PRESERVATION
IN THE UNITED STATES**

LEGAL DESCRIPTION OF THE PROPERTY

Being all that part of the North 610.00 feet of the South 1170.00 feet of Government Lot 2 of Section 35, Township 43, South, Range 43 East, in the Town of Palm Beach, Palm Beach County, Florida, lying West of Ocean Boulevard (State Road A1A) Right of Way and more particularly described as follows, to-wit:

Beginning at a point on the West face of an existing seawall on the East shore of Lake Worth, which point is 560.00 feet North of, measured at right angles, to the South line of Government Lot 2 of said Section 35; thence North 6°09'22" West along the West face of said seawall for a distance of 77.32 feet; thence North 10°23'23" East along the West face of said seawall for a distance of 539.50 feet to a point in the South line of BINGHAM-COPP TRACT, a subdivision recorded in Plat Book 18, Page 6, Palm Beach County Public Records; thence run South 88°12'07" East along the South line of said BINGHAM-COPP TRACT for a distance of 1134.10 feet to a point in the Westerly right-of-way line of Ocean Boulevard (State Road A1A); thence run South 0°09'07" East for a distance of 82.59 feet to a point of curvature; thence run Southerly along the arc of a curve concaved to the Southwest having a radius of 1412.69 feet and a central angle of 3°03'00" for a distance of 75.20 feet to a point of tangency; thence run South 2°53'53" West for a distance of 176.28 feet to a point of curvature; thence run Southwesterly along the arc of a curve concaved to the Northwest having a radius of 2968.36 feet and a central angle of 2°27'30" for a distance of 127.36 feet to a point of compound curvature; thence continue Southwesterly along the arc of a curve, concaved to the Northwest having a radius of 158.68 feet and a central angle of 86°26'30" for a distance of 239.40 feet to a point of tangency; thence run North 88°12'07" West along the North line of Southern Boulevard (State Road 80) for a distance of 1040.43 feet to the POINT OF BEGINNING;

and

The West one-half (W 1/2) of Lot 20 and the South 15 feet of the East one-half (E 1/2) of Lot 20 and the South 15 feet of the West one-half (W 1/2) of Lot 21, all in BINGHAM-COPP TRACT, a subdivision in the Town of Palm Beach, Palm Beach County, Florida, as recorded in Plat Book 18, Page 6, Palm Beach County Public Records;

Together with an easement for the use of the tunnel as described in that certain Quit Claim Easement Deed recorded in Official Record Book 2327, Page 1970 of the Palm Beach County Public Records;

and

DRB 8691 Ps 794

The South 358.00 feet of the North 403.00 feet of the South 1170.00 feet of Government Lot 2, Section 35, Township 43 South, Range 43 East, Palm Beach County, Florida, lying East of Ocean Boulevard (State Road A1A) as now laid out and in use; together with all riparian and littoral rights, if any, thereunto appertaining.

ORB 8691 Ps 795

EXHIBIT B
TO
CONSERVATION AND PRESERVATION EASEMENT
FROM
DONALD J. TRUMP
TO
NATIONAL TRUST FOR HISTORIC PRESERVATION
IN THE UNITED STATES

CRITICAL FEATURES OF MAR-A-LAGO

The following Critical Features of Mar-a-Lago are described narratively below and graphically in Exhibits B-1, B-2, and B-3, a site drawing of exterior Critical Features and floor plans of interior Critical Features, following the narration.

1. **Main Entrance Gate.** The Gate is a double wood spindled, two-leaf gate which opens inward. The masonry is covered with Spanish tiles and is lighted by two wrought-iron figures holding torches.

2. **Perimeter Wall.** A stucco wall extends on the property line from Lake Worth to the west and around the Southern Boulevard curve (with gates) to a terminus at the east center of the Mansion. The wall re-continues to the north, passes through the Main Entrance Gate, is interrupted by the Property Manager's Complex and runs to the service entrance gate at the north property line. The seawall is not a Critical Feature but it shall be maintained in substantially the same size, color, and durability to retard erosion from Lake Worth.

3. **Main Entrance Drive.** The main drive is perpendicular and west of South Ocean Boulevard, one hundred feet from the north property line. It is approximately fourteen feet wide, bordered on both sides with concrete curbs and lined with coconut palms. The driveway circles around a guest structure through a porte-cochere to the primary entrance to the Mansion at its north facade.

4. **Property Manager's Complex.** To the north of the main entrance drive, the property manager's grouping consists of a residence, detached garage, and ancillary building, all of which are one-story, stucco, with clay barrel tile roofs.

4.1 **Doors and Windows.** The doors and windows of the Property Manager's Complex to be included as part of the Critical Features are identified in the Baseline Documentation.

DRB 8691 Ps 796.

5. **The Mansion.** The exterior walls, roof, carvings, columns, tiles and overall envelope of the main house, including without limitation also the exterior of the pavilion and staff housing/kitchen/service wings and connecting passageways, the portecochere and connected guest house, and the service garage adjacent to the service wing, referred to herein as the Mansion, are the single most important Critical Features.

5.1 **Doors and Windows.** The doors and windows of the Mansion to be included as part of the Critical Features are identified in the Baseline Documentation.

6. **Cloisters, Patio and Parrot Pool.** The Cloisters, Patio and Parrot Pool located adjacent and west of the Mansion are integral accessories to the Mansion.

7. **Open Vistas.** An open vista to the east overlooks the property to Ocean Boulevard from the Mansion. An open vista to the west extends from the Mansion down and across a grassed area of approximately 250 feet in width to view Lake Worth.

8. **Topographical Flow of Land.** The land flows generally from a high point around the main house at an elevation of approximately 15 feet to a low point of 4 feet along the bulkhead line at Lake Worth.

9. **Vegetation, Tree Lines and Golf Course.** The basic quantity and quality of vegetation and tree lines are Critical Features. Alteration and relocation of the fairways, tees, and greens on the golf course west of the Mansion are permitted, although the open vista provided by the presence of the golf course is a Critical Feature.

10. **Mansion Rooms.** The walls, floors, ceilings and physically-attached structures of the following rooms in the Mansion are Critical Features: (a) Entrance Hall, (b) Gentleman's Cloak Room, (c) Ladies' Cloak Room, (d) Living Room, (e) Dining Room, (f) Loggia, (g) Monkey Loggia, (h) Library, (i) Play Room in "Deenie's House", (j) Child's Bedroom and Bathroom, (k) Pine Hall in Master Suite, (l) Master Bedroom, (m) Master Bathroom, (n) Master Dressing Room, (o) Pavilion, (p) American Bedroom, (q) Adams Bedroom, (r) Venetian Sitting Room, (s) Spanish Bedroom, (t) Portuguese Bedroom (n) Dutch Bedroom, (v) upper and lower cloisters, (w) north and south second floor corridors and overlooks, (x) all stairways, (y) the Norwegian Room and associated bath in the Master Suite and (z) anterooms, vestibules, and corridors which connect the aforementioned rooms with each other or with upper or lower cloisters as depicted in the Critical Room Plan attached as part of this Exhibit B.

10.1 **Light Fixtures.** The light fixtures to be included as part of the Critical Features are identified in the Baseline Documentation. Grantor and Grantee herein agree that if any of the said light fixtures are destroyed or substantially destroyed by involuntary, unexpected casualty, notwithstanding any other provision in this Easement to the contrary Grantor may replace said light fixtures at Grantor's discretion after consultation with Grantee.

RECORDER'S MEMO: Legibility of document
unsatisfactory when received.



THE MAR-A-LAGO CLUB
PALM BEACH
EXHIBIT B

EXTENSIVE CRITICAL FEATURES
MAY 1977

DATE 5-5-77 BY 1977

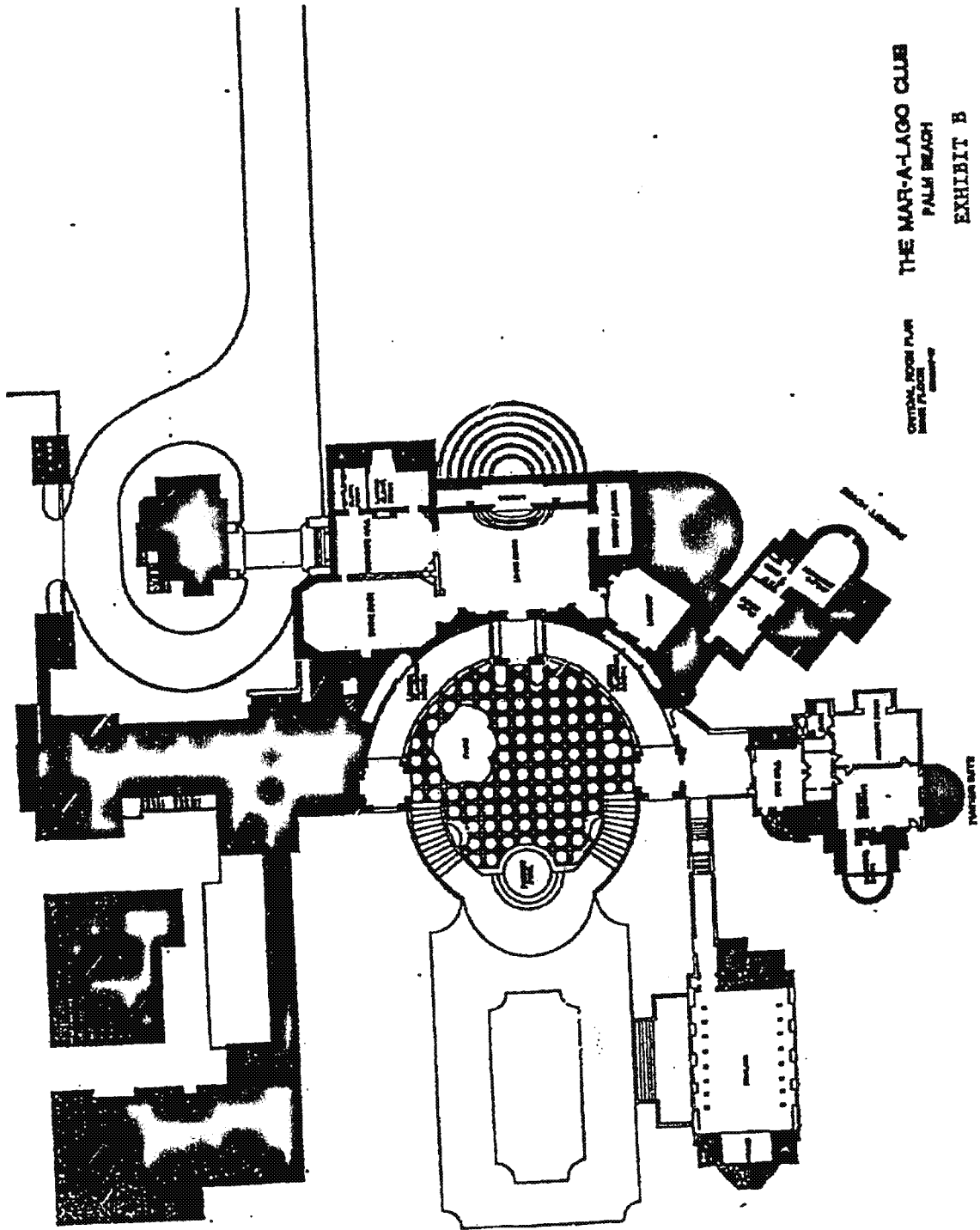
LAND RECORDS

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RECORDER'S MEMO: Legibility of document
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THE MAR-A-LAGO CLUB
PALM BEACH
EXHIBIT B

CENTRAL ROOM PLAN
SECOND FLOOR

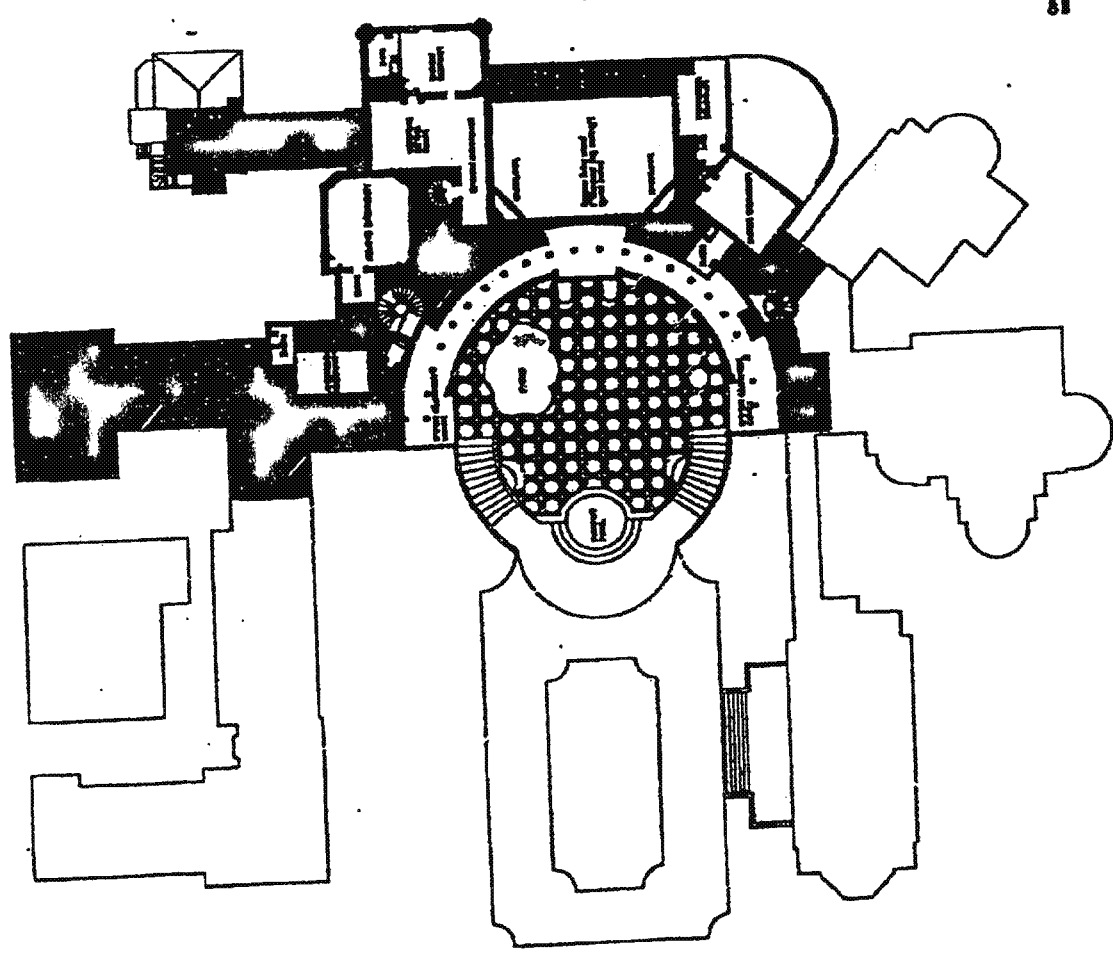


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RECORDER'S MEMO: Legibility of document
unsatisfactory when received.

THE MAR-A-LAGO CLUB
PALM BEACH
EXHIBIT B

ENTRANCE FROM PLAZA
SECOND FLOOR
EAST



088 8593 P8 754

088 8651 Ps 8683

**EXHIBIT C
TO
CONSERVATION AND PRESERVATION EASEMENT
FROM
DONALD J. TRUMP
TO
NATIONAL TRUST FOR HISTORIC PRESERVATION
IN THE UNITED STATES**

CERTIFICATE OF COMPLIANCE

National Trust for Historic Preservation in the United States, a non-profit charitable corporation chartered under an Act of Congress, 16 U.S.C. Section 468-468(d), with a business address at 1785 Massachusetts Avenue, N.W., Washington, D.C. 20036, as Grantee of that Conservation and Preservation Easement from Donald J. Trump, Grantor, dated _____, 1995, recorded in Official Record Book _____, Page _____, of the Public Records of Palm Beach County ("Easement"), certifies to the best of its knowledge that Grantor is as of this date in compliance with Grantor's obligations contained in said Easement and that no event has occurred which, with the giving of notice or passage of time or both, might constitute an event of default or violation.

Witness the execution hereof under seal this _____ day of _____, _____.

National Trust for Historic Preservation
in the United States

WITNESS: _____
Print Name: _____

By: _____
Its: _____

[Acknowledgment]

DRB 8691 Ps 801

DOROTHY H. WILKEN, CLERK PB COUNTY, FL

**EXHIBIT D
TO
CONSERVATION AND PRESERVATION EASEMENT
FROM
DONALD J. TRUMP
TO
NATIONAL TRUST FOR HISTORIC PRESERVATION
IN THE UNITED STATES**

ASSIGNMENT

NATIONAL TRUST FOR HISTORIC PRESERVATION IN THE UNITED STATES, a non-profit charitable corporation chartered under an Act of Congress, 16 U.S.C. Section 468-468(d), with a business address at 1785 Massachusetts Avenue, N.W., Washington, D.C. 20036, herein referred to as "Assignor," for consideration paid, hereby ASSIGNS to

_____ a non-profit charitable corporation organized and existing under the laws of _____ with a business address at _____, herein referred to as "Assignee," all of the right, title, and interest of the Assignor, under a certain Deed of Conservation and Preservation Easement dated _____, 1995, recorded in Official Record Book _____, Page _____, of the Public Records of Palm Beach County, from Donald J. Trump, Grantor, to Assignor. This Assignment is made pursuant to the power and authority contained in paragraph 10 of said Deed of Conservation and Preservation Easement and every other power and authority of the Assignor hereunto enabling.

In consideration of the foregoing Assignment, and by the execution hereof, the Assignee hereby assumes the obligations of the Assignor under said Deed of Conservation and Preservation Easement, effective upon the recording of this Agreement with said Records.

Witness the execution hereof under seal this _____ day of _____

**NATIONAL TRUST FOR HISTORIC
PRESERVATION IN THE UNITED STATES**

WITNESS: _____ By: _____
Print Name: _____, ASSIGNEE

WITNESS: _____ By: _____
Print Name: _____

[Acknowledgment of Assignor]
[Acknowledgment of Assignee]

SUMMARY APPRAISAL REPORTS FOR THE LOTS

"SUMMARY APPRAISAL REPORT"
LAND APPRAISAL REPORT

File No. 07-57825trumpLtdOcn1

Property Address One 61,531 limited ocean view site		Census Tract 35.02	LENDER DISCRETIONARY USE	
City Palm Beach County Palm Beach State FL Zip Code 33480		Sale Price \$ _____		
Legal Description Lot 1, Mar-a-Lago		Date _____		
Owner/Occupant Mar a Lago Club Inc		Map Reference 43-43-35	Mortgage Amount \$ _____	
Sale Price \$ N/A Date of Sale N/A		Mortgage Type _____		
Loan charges/concessions to be paid by seller \$ N/A		Discount Points and Other Concessions _____		
R.E. Taxes \$ Not determined Tax Year 2006 HOA \$/Mo. Unknown		Paid by Seller \$ _____		
Lender/Client Mar a Lago Club Inc		Source _____		
1100 South Ocean Boulevard, Palm Beach, FL 33480		Property Rights Appraised		
		<input checked="" type="checkbox"/> Fee Simple		
		<input type="checkbox"/> Leasehold		
		<input type="checkbox"/> Condominium (HUDVA)		
		<input type="checkbox"/> PUD		
LOCATION		NEIGHBORHOOD ANALYSIS		
<input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural		Employment Stability <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		
BUILT UP <input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%		Convenience to Employment <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		
GROWTH RATE <input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow		Convenience to Shopping <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		
PROPERTY VALUES <input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining		Convenience to Schools <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		
DEMAND/SUPPLY <input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply		Adequacy of Public Transportation <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		
MARKETING TIME <input type="checkbox"/> Under 3 Mos. <input checked="" type="checkbox"/> 3-6 Mos. <input checked="" type="checkbox"/> Over 6 Mos.		Recreation Facilities <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		
PRESENT LAND USE %		Adequacy of Facilities <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		
Single Family 65% Not Likely <input checked="" type="checkbox"/>		Property Compatibility <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		
2-4 Family 0% Likely <input type="checkbox"/>		Protection from Deterioral Cond. <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		
Multi-Family 20% In process <input type="checkbox"/>		Police & Fire Protection <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		
Commercial 10% To: _____		General Appearance of Properties <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		
Industrial 0%		Appeal to Market <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		
Vacant 5%				

Note: Race or the racial composition of the neighborhood are not considered reliable appraisal factors. COMMENTS: Proposed small portion of folio # 50-43-43-35-00-002-0390. Palm Beach is a seasonal market in which market activity increases from November to May. As a result, marketing times are typically in excess of six months. See addendum for neighborhood comments.

Dimensions 250 x 183.33 x 193.33 x 300, estimated from plat, subject to survey		Topography Level to A1A	
Site Area 61531 Sq.Ft. as per site plan Corner Lot yes		Size Larger than typical	
Zoning Classification Single Family R-AA Zoning Compliance Yes		Shape Irregular	
HIGHEST & BEST USE: Present Use Yes Other Use _____		Drainage Appears adequate	
UTILITIES Public Other		View Limited Ocean across St.	
Electricity <input checked="" type="checkbox"/>	<input type="checkbox"/>	Landscaping Standard	
Gas <input checked="" type="checkbox"/>	available	Driveway None	
Water <input checked="" type="checkbox"/>		Apparent Easements Typical Utility	
Sanitary Sewer <input checked="" type="checkbox"/>		FEMA Flood Hazard Yes* No Zone C	
Storm Sewer <input checked="" type="checkbox"/>		FEMA* Map/Zone CP# 120220 0003C 9/82	

Comments (Apparent adverse easements, encroachments, special assessments, slide areas, etc.): See Attached Addendum.

The undersigned has recited three recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment, reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to, or more favorable than, the subject property, a minus (-) adjustment is made, thus reducing the indicated value of subject; if a significant item in the comparable is inferior to, or less favorable than, the subject property, a plus (+) adjustment is made, thus increasing the indicated value of the subject.

ITEM	SUBJECT	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
Address	One 61,531 ltd Ocean Site	1047 S. Ocean Boulevard Palm Bch	700 S. Ocean Boulevard Palm Beach	409 Antiqua Lane Palm Beach
Proximity to Subject		0.76 miles S	0.11 miles E	1.37 miles NNW
Sales Price	\$ N/A	\$ 8,250,000	\$ 10,800,000	\$ 3,417,000
Price/SF	\$ N/A	\$ *74452	\$ 94737	\$ 244.07
Data Source	Inspection/PR's	PubRecs/Field/MLS/Agent	Public Records/Field/Inspection	Public Records/Field/MLS
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	DESCRIPTION	DESCRIPTION
Sales or Financing Concessions	Cash	Cash	Cash	Cash
Date of Sale/Time	7/07	5/07	5/07	4/07
Location	Roads & PBIa	PBIa only (-40%)	No S. Blvd or PBIa (-40%)	No S. Blvd or PBIa (-40%)
Site/View	Limited Ocean	Direct Ocean (-20%)	Indirect Ocean (-10%)	Dry view (+15%)
Size	250FF/61533SF	100FF/130dpth (+25%)	114FF/228 dpth (+20%)	14000 SF (+20%)
Improvements	Yes-Cont Value	8048SF @\$100 -804,800	No-razed	Yes-no value
Mar-a-Lago Club			Tunnel to strip (+5%)	
Premium local	Yes	No (+25%)	No-razed (see above)	No (+25%)
Net Adj. (total)	<input type="checkbox"/> + <input type="checkbox"/> - \$	<input type="checkbox"/> + <input type="checkbox"/> - \$	<input type="checkbox"/> + <input type="checkbox"/> - \$	<input type="checkbox"/> + <input type="checkbox"/> - \$
Indicated Value of Subject	Gross: _____ Net: \$ See Addenda	Gross: _____ Net: \$ See Addenda	Gross: _____ Net: \$ See Addenda	Gross: _____ Net: \$ See Addenda

Comments of Sales Comparison: See Addenda.

Comments and Conditions of Appraisal: Personal property was not included in analysis. The Income Approach was not used since the Subject is not a typical investment property.

Final Reconciliation: Greater emphasis was placed on the Sales Comparison Approach in the final estimate of Market Value with support from the Cost Approach.

I (WE) ESTIMATE THE MARKET VALUE, AS DEFINED, OF THE SUBJECT PROPERTY AS OF July 11, 2007 to be \$ 16,000,000

I (We) certify: that to the best of my (our) knowledge and belief, the facts and data used herein are true and correct; that I (we) personally inspected the subject property and inspected all comparable sales cited in this report; and that I (we) have no undisclosed interest, present or prospective therein.

Appraiser(s) Jonathan L. Day Review Appraiser M.R. Slade Did Did Not Inspect Property
(if applicable) Michael R. Slade MAI, SRA, CRE

"SUMMARY APPRAISAL REPORT"
LAND APPRAISAL REPORT

File No. 07-57825trumpLtdOcn1

The undersigned has recited three recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment, reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to, or more favorable than, the subject property, a minus (-) adjustment is made, thus reducing the indicated value of subject; if a significant item in the comparable is inferior to, or less favorable than, the subject property, a plus (+) adjustment is made, thus increasing the indicated value of the subject.

ITEM	SUBJECT	COMPARABLE NO. 4		COMPARABLE NO. 5		COMPARABLE NO. 6	
Address	One 61,531 lrd Ocean Site	144 Seminole Avenue Palm Beach		240 Clarke Avenue Palm Beach			
Proximity to Subject		2.19 miles N		1.35 miles N			
Sales Price	\$ N/A	\$ 3,800,000		\$ 5,850,000		\$	
Price/SF	\$ N/A	\$ 327.59		\$ 326.82		\$	
Date Source	Inspection/PR's	Public Records/Field/MLS		Public Records/Field/MLS			
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-)% Adjustment	DESCRIPTION	+(-)% Adjustment	DESCRIPTION	+(-)% Adjustment
Sales or Financing Concessions		Cash		Cash			
Date of Sale/Time	7/07	5/07		6/07			
Location	Roads & PBLA	No S. Blvd or PBLA	(-40%)	No S. Blvd or PBLA	(-40%)		
Site/View	Limited Ocean	Dry view/Ocn Bk	No Net Adj	Dry view/Ctr Bk	(+10%)		
Size	250FF/61533SF	11600 SF	(+20%)	17900 SF	(+15%)		
Improvements	Yes-Cont Value	Yes-renovated \	(-\$383,600)	Yes-no value			
Mar-a-Lago Club		3636 @ \$100SF /	Net Adjustmnt				
Premium local	Yes	No	(+25%)	Clark Ave Prem	(+10%net)		
Net Adj. (total)		<input type="checkbox"/> + <input type="checkbox"/> -	\$	<input type="checkbox"/> + <input type="checkbox"/> -	\$	<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 0
Indicated Value of Subject		Gross: <input type="checkbox"/> Net: <input type="checkbox"/>	\$ See Addenda	Gross: <input type="checkbox"/> Net: <input type="checkbox"/>	\$ See Addenda	Gross: 0.0% Net: 0.0%	\$ 0

ADDENDUM

Borrower: N/A	File No.: TrumpLtdOcn1	
Property Address: One 61,531 limited ocean view site	Case No.:	
City: Palm Beach	State: FL	Zip: 33480
Lender: Mar a Lago Club Inc		

Neighborhood Comments

The Subject Property is located in the Town of Palm Beach. The municipality is located on a coastal island, east of the Florida mainland. It extends approximately 3/4 mile wide at the widest part to about 500 feet at the narrowest. The northern boundary is the Palm Beach Inlet and the southern boundary is south of Lake Avenue. The island is separated from the mainland by Lake Worth (also known as the Intracoastal Waterway), a salt water lake approximately 3/4 of a mile wide.

The Town of Palm Beach has a permanent population of approximately 10,000 year round residents with about 35,000 people residing within the town during the winter season (November to May). The Town of Palm Beach is world renowned for its European atmosphere, excellent shopping and dining facilities. Shopping in Palm Beach is provided by several centers, the most famous of which is Worth Avenue. The Esplanade on Worth Avenue, a 90,000 square foot shopping mall features a Saks Fifth Avenue and 48 selected boutiques and shops. Worth Avenue was designed for strolling along its Palm lines blocks. There are three private golf courses, one public par three course and six private clubs consisting of The Sailfish Club, The Palm Beach Country Club, The Beach Club, The Everglades Club, The Bath and Tennis Club and the newest, Donald Trump's Mar-A-Lago.

Conclusion: Palm Beach is a well established community which is approximately 95% developed with a reasonable density. The municipality has strong governmental controls which has affected orderly growth in the past. The majority of the residents are opposed to are further growth.

Single Family homes on the island range from \$700,000 to in excess of \$120,000000 with a predominant value of \$4,500,000. The marketing time for the more expensive properties is typically in excess of one year since it is a seasonal market. Due to the percentage of development, vacant building sites are scarce. Many building sites are acquired via the purchase of older homes which are razed for new construction. Values have increased over the past 6 to 7 years with the largest percentage increase in waterfront properties in 2000 and 2005 to the present.

Site Comments

The Subject site is located in the southern end of the central portion of the island, between Worth Avenue and Southern Boulevard, east of Lake Worth and west of Ocean Boulevard on the ocean block of Southern Blvd. This location is directly below the flight path of the Palm Beach International Airport and experiences heavy traffic noise during peak travel hours. The hypothetical site is irregular in shape at the eastern end with a curved radius of approximately feet of frontage and an average depth of approximately 242 feet. The area is zoned Single Family R-AA, large residential estate, which requires minimum site dimensions of 150' X 150' however with 60,000 minimum square feet. Therefore, the site is to be a legally conforming lot.

The Subject site is currently improved with a parking lot for the outer service buildings and the entrance to the tunnel which leads to the beach. In our opinion, the overall improvements contribute to the overall integrity of the entire property since parking is limited.

In our opinion, due to the desirability of the site (located on the ocean block, south/central location under the flight path), the scarcity of land yet the contributory value of the underlying land use, the hypothetical redevelopment of the land may not represent the highest and best use of the land.

LAND VALUE ANALYSIS

We have analyzed two oceanfront and three dry site sales based on the price per front foot

ADDENDUM

Borrower: N/A	File No.: TrumpLtdOcn1
Property Address: One 61,531 limited ocean view site	Case No.:
City: Palm Beach	State: FL Zip: 33480
Lender: Mar a Lago Club Inc	

and square foot, respectively. Percentage adjustments were applied for the estimated difference in block location (ocean, center, lake and proximity to busy Southern Blvd. and the PBIA), location on the island, and contributory value of any improvements, if applicable. For the above mentioned reasons, the sales analyzed were considered the most comparable to the Subject Property.

Sales 1 and 2 have superior ocean views with Sales 1's being direct and Sales 2's indirect (west of State Road A1A) but with no homes located on the ocean side of the street limiting the view. Furthermore, the two oceanfront Sales have use of the beach with the Subject would not due to the existence of the Bath and Tennis Club property. All of the Sales were adjusted downward for superior proximity away from Southern Blvd. and less (if any) affected by PBIA. All of the above locational adjustments were presented as a net adjustment on the sales grid.

Sales 1 and 4 involved homes with some limited contributory value which was estimated to be \$50/SF and \$100/SF, respectively.

All of the Sales except Sales 2 and 5 were adjusted upward an estimated 25% for lack of Mar-a-Lago affiliation. Sale 2 has it's own private tunnel to the beach and full beach access. Although Sale 5 is not located on the grounds of this world famous club, is carries its own premium for location on Clark Avenue which has historically been a premium address, everything else being equal. We estimate a 15% premium for Clark Avenue based on paired sales analysis with the other sales for a net upward adjustment of 10% to this Sale.

Due to the percentage of development, building sites are typically acquired via the demolition of older homes for new construction. Demolition costs were not considered in our analysis due to their nominal costs compared to the multi-million dollar sale prices.

- 1) *\$8,250,000 - 804,800 = \$ 7,445,200 estimated net price towards the land or \$74,452/FF - 7,445 = \$67,007/FF
- 2) \$94,737 - 23,684 = \$71,053/FF
- 3) \$244.07 + 48.81 = \$292.88/SF
- 5) \$327.59 + 16.38 = \$343.97/SF
- 6) \$326.82 - 16.34= \$310.48/SF

After adjustments, the sales range in price per front foot from \$67,000 to \$71,053 with an average of \$69,027/FF. Sales 3-6 range from \$292.88/SF to \$343.97/SF with an average of \$315.78/SF.

However, due to the Subject's large size and resulting economies of scale, potential deduction from the contributory value to the overall club and directly proximity to both Southern Blvd. and State Road A1A, yet higher than typical elevation, we have adjusted the final price per front and square foot down a net 10% to \$62,127 and \$284.20/SF. Thus, the estimated value is calculated as follows:

VALUATION

250 approximate front feet X \$62,000/FF = \$15,500,000
61,533 SF x \$285/SF = \$17,536,905

With more weight given to the oceanfront Sales, we have estimated **\$16,000,000** for the Subject Property.

Statement Of Limiting Conditions and Appraisers Certification

I certify that, to the best of my knowledge and belief, the reported analyses, opinions and

ADDENDUM

Borrower: N/A	File No.: TrumpLtdOcn1	
Property Address: One 61,531 limited ocean view site	Case No.:	
City: Palm Beach	State: FL	Zip: 33480
Lender: Mar a Lago Club Inc		

conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics of the Appraisal Institute and the Standards of Professional Practice.

I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

The use of this report is subject to the requirements of the State of Florida relating to review by the Florida Real Estate Appraisal Board.

As of the date of this report, Michael R. Slade, MAI, SRA has completed the requirements under the continuing education program of the Appraisal Institute.

**"SUMMARY APPRAISAL REPORT"
LAND APPRAISAL REPORT**

File No. 07-57825trumpDry4

Property Address One 60,000 dry site		Census Tract 35.02	LENDER DISCRETIONARY USE	
City Palm Beach		County Palm Beach	State FL	Zip Code 33480
Legal Description Lots 2,3,4 & 5, Mar-a-Lago		Map Reference 43-43-35		Sale Price \$ _____
Owner/Occupant Mar a Lago Club Inc		Date of Sale N/A		Date _____
Sale Price \$ N/A		Property Rights Appraised		Mortgage Amount \$ _____
Loan charges/concessions to be paid by seller \$ N/A		<input checked="" type="checkbox"/> Fee Simple		Mortgage Type _____
R.E. Taxes \$ Not determined		Tax Year 2006		Discount Points and Other Concessions _____
Lender/Client Mar a Lago Club Inc		HOA \$/Mo. Unknown		Paid by Seller \$ _____
1100 South Ocean Boulevard, Palm Beach, FL 33480		<input type="checkbox"/> Leasehold		Condominium (HUDVA) _____
		<input type="checkbox"/> PUD		Source _____

LOCATION	<input type="checkbox"/> Urban	<input checked="" type="checkbox"/> Suburban	<input type="checkbox"/> Rural	NEIGHBORHOOD ANALYSIS	Good	Avg.	Fair	Poor	
BUILT UP	<input checked="" type="checkbox"/> Over 75%	<input type="checkbox"/> 25-75%	<input type="checkbox"/> Under 25%		Employment Stability	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
GROWTH RATE	<input type="checkbox"/> Rapid	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Slow		Convenience to Employment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
PROPERTY VALUES	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining		Convenience to Shopping	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
DEMAND/SUPPLY	<input type="checkbox"/> Shortage	<input checked="" type="checkbox"/> In Balance	<input type="checkbox"/> Over Supply		Convenience to Schools	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
MARKETING TIME	<input type="checkbox"/> Under 3 Mos.	<input checked="" type="checkbox"/> 3-6 Mos.	<input checked="" type="checkbox"/> Over 6 Mos.		Adequacy of Public Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

PRESENT LAND USE %	LAND USE CHANGE	PREDOMINANT OCCUPANCY	SINGLE FAMILY HOUSING	Recreation Facilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Single Family 65%	Not Likely <input checked="" type="checkbox"/>	Owner <input checked="" type="checkbox"/>	PRICE 700 Low New	Adequacy of Facilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2-4 Family 0%	Likely <input type="checkbox"/>	Tenant <input type="checkbox"/>	AGE 124	Property Compatibility	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Multi-Family 20%	In process <input type="checkbox"/>	Vacant (0-5%) <input checked="" type="checkbox"/>	120M+ High 124	Protection from Detrimental Cond.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commercial 10%	To: _____	Vacant (over 5%) <input type="checkbox"/>	Predominant	Police & Fire Protection	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Industrial 0%			4.5M+- - 50	General Appearance of Properties	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Vacant 5%				Appeal to Market	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Note: Race or the racial composition of the neighborhood are not considered reliable appraisal factors. COMMENTS: Proposed small portion of folio # 50-43-43-35-00-002-0390. Palm Beach is a seasonal market in which market activity increases from November to May. As a result, marketing times are typically in excess of six months. See addendum for neighborhood comments.

Dimensions 160 x 375, subject to survey	Topography	Lower than A1A/at So.Blvd
Site Area 60000 Sq.Ft.	Size	Larger than typical
Zoning Classification Single Family R-AA	Shape	Rectangular
HIGHEST & BEST USE: Present Use Yes	Drainage	Appears adequate
Utilities	View	Dry/Ocean block
Electricity <input checked="" type="checkbox"/> Public	Landscaping	Standard
Gas <input type="checkbox"/> available	Driveway	None
Water <input checked="" type="checkbox"/> Sanitary Sewer <input checked="" type="checkbox"/> Storm Sewer <input checked="" type="checkbox"/>	Apparent Easements	Typical Utility
	FEMA Flood Hazard	Yes* No Zone C
	FEMA Map/Zone	CP# 120220 0003C 9/82

Comments (Apparent adverse easements, encroachments, special assessments, slide areas, etc.): **See Attached Addendum.**

The undersigned has recited three recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment, reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to, or more favorable than, the subject property, a minus (-) adjustment is made, thus reducing the indicated value of subject; if a significant item in the comparable is inferior to, or less favorable than, the subject property, a plus (+) adjustment is made, thus increasing the indicated value of the subject.

ITEM	SUBJECT	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
Address	One 60,000 dry site- Palm Bch	409 Antiqua Lane Palm Beach	158 Dunbar Road Palm Beach	225 Dunbar Road Palm Beach
Proximity to Subject		2.17 miles N	3.19 miles N	3.19 miles N
Sales Price	\$ N/A	\$ 3,417,000	\$ 5,150,000	\$ 5,201,500
Price/ SF	\$ N/A	\$ 244.07	\$ 263.04	\$ 239.94
Data Source	Inspection/PR's	Public Records/Field/MLS	Public Records/Field/MLS	Public Records/Field/MLS
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	DESCRIPTION	DESCRIPTION
Sales or Financing Concessions		Cash	Cash	Cash
Date of Sale/Time	7/07	4/07	7/05 (+8.35%)	2/05 (+16.7%)
Location	So/Cntl P. Bch	Central P. Bch	Central P. Bch	Central P. Bch
Site/View	PBIA/Ocn blk	NoPBIA/LkBlk / (-10%)	NoPBIA/OcnBlk/ (-30%)	NoPBIA/CtrBlk/ (-20%)
Size	60000 SF	14000 SF See Addenda	19579 SF See Addenda	21678 SF See Addenda
Improvements	Yes-Cont Value	Yes-no value See Addenda	Yes-no value See Addenda	No-vacant See Addenda
Mar-a-Lago Club				
Premium local	Yes	No (+25%)	No (+25%)	No (+25%)
Net Adj. (total)				
Indicated Value of Subject		Gross: \$ See Addenda	Gross: \$ See Addenda	Gross: \$ See Addenda

Comments of Sales Comparison: **See Addenda.**

Comments and Conditions of Appraisal: **Personal property was not included in analysis. The Income Approach was not used since the Subject is not a typical investment property.**

Final Reconciliation: **Greater emphasis was placed on the Sales Comparison Approach in the final estimate of Market Value with support from the Cost Approach.**

I (WE) ESTIMATE THE MARKET VALUE, AS DEFINED, OF THE SUBJECT PROPERTY AS OF July 11, 2007 to be \$ 15,000,000

I (We) certify: that to the best of my (our) knowledge and belief, the facts and data used herein are true and correct; that I (we) personally inspected the subject property and inspected all comparable sales cited in this report; and that I (we) have no undisclosed interest, present or prospective therein.

Appraiser(s) *Jennifer L. Day* Review Appraiser (if applicable) *M.R. Slade* Did Did Not Inspect Property

Proprietary Land Form 0468 St.Cert.Res.REA RD1132 Produced using ACI software, 800.234.9727 www.acisw.com St.Cert.Gen.REA RZ116 Callaway & Price, Inc.

**"SUMMARY APPRAISAL REPORT"
LAND APPRAISAL REPORT**

File No. 07-57825trumpDry4

The undersigned has recited three recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment, reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to, or more favorable than, the subject property, a minus (-) adjustment is made, thus reducing the indicated value of subject; if a significant item in the comparable is inferior to, or less favorable than, the subject property, a plus (+) adjustment is made, thus increasing the indicated value of the subject.

ITEM	SUBJECT	COMPARABLE NO. 4		COMPARABLE NO. 5		COMPARABLE NO. 8	
		DESCRIPTION	ADJUSTMENT	DESCRIPTION	ADJUSTMENT	DESCRIPTION	ADJUSTMENT
Address	One 60,000 dry site- Palm Bch	271 El Vedado Road Palm Beach		144 Seminole Avenue Palm Beach		240 Clarke Avenue Palm Beach	
Proximity to Subject		0.99 miles N		3.02 miles N		2.17 miles N	
Sales Price	\$ N/A	\$ 4,300,000		\$ 3,800,000		\$ 5,850,000	
Price/ SF	\$ N/A	\$ 245.71		\$ 327.59		\$ 326.82	
Data Source	Inspection/PRI's	Public Records/Field/MLS		Public Records/Field/MLS		Public Records/Field/MLS	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-)% Adjustment	DESCRIPTION	+(-)% Adjustment	DESCRIPTION	+(-)% Adjustment
Sales or Financing Concessions		Rejected Offer	(+10%)	Cash		Cash	
Date of Sale/Time	7/07	9/05	(+5%)	5/07		6/07	
Location	So/Cntl P. Bch	Estate Section \		Central P. Bch \		Central P. Bch \	
Site/View	PBIA/Ocn blk	LessPBIA/LkBlk /	(+5% net)	NoPBIA/OcnBlk/	(-30%)	NoPBIA/CtrBlk/	(-20%)
Size	60000 SF	17500 SF	See Addenda	11600 SF	See Addenda	17900 SF	
Improvements	Yes-Cont Value	Yes-no value	See Addenda	Yes-renovated \	(-\$363,600)	Yes-no value	
Mar-a-Lago Club				3636 @ \$100SF /	Net Adjustmnt		
Premium local	Yes	No	(+25%)	No	(+25%)	Clark Ave Prem	(+10%net)
Net Adj. (total)		<input type="checkbox"/> + <input type="checkbox"/> - \$		<input type="checkbox"/> + <input type="checkbox"/> - \$		<input type="checkbox"/> + <input type="checkbox"/> - \$	
Indicated Value of Subject		Gross: Net: \$ See Addenda		Gross: Net: \$ See Addenda		Gross: Net: \$ See Addenda	

ADDITIONAL COMMENTS

ADDENDUM

Borrower: N/A	File No.: TrumpDry4	
Property Address: One 60,000 dry site	Case No.:	
City: Palm Beach	State: FL	Zip: 33480
Lender: Mar a Lago Club Inc		

Neighborhood Comments

The Subject Property is located in the Town of Palm Beach. The municipality is located on a coastal island, east of the Florida mainland. It extends approximately 3/4 mile wide at the widest part to about 500 feet at the narrowest. The northern boundary is the Palm Beach Inlet and the southern boundary is south of Lake Avenue. The island is separated from the mainland by Lake Worth (also known as the Intracoastal Waterway), a salt water lake approximately 3/4 of a mile wide.

The Town of Palm Beach has a permanent population of approximately 10,000 year round residents with about 35,000 people residing within the town during the winter season (November to May). The Town of Palm Beach is world renowned for its European atmosphere, excellent shopping and dining facilities. Shopping in Palm Beach is provided by several centers, the most famous of which is Worth Avenue. The Esplanade on Worth Avenue, a 90,000 square foot shopping mall features a Saks Fifth Avenue and 48 selected boutiques and shops. Worth Avenue was designed for strolling along its Palm lines blocks. There are three private golf courses, one public par three course and six private clubs consisting of The Sailfish Club, The Palm Beach Country Club, The Beach Club, The Everglades Club, The Bath and Tennis Club and the newest, Donald Trump's Mar-A-Lago.

Conclusion: Palm Beach is a well established community which is approximately 95% developed with a reasonable density. The municipality has strong governmental controls which has affected orderly growth in the past. The majority of the residents are opposed to are further growth.

Single Family homes on the island range from \$700,000 to in excess of \$120,000,000 with a predominant value of \$4,500,000. The marketing time for the more expensive properties is typically in excess of one year since it is a seasonal market. Due to the percentage of development, vacant building sites are scarce. Many building sites are acquired via the purchase of older homes which are razed for new construction. Values have increased over the past 6 to 7 years with the largest percentage increase in waterfront properties in 2000 and 2005 to the present.

Site Comments

The Subject site is located in the southern end of the central portion of the island, between Worth Avenue and Southern Boulevard, east of Lake Worth and west of Ocean Boulevard on the ocean block of Woodbridge Road. This location is directly below the flight path of the Palm Beach International Airport and experiences heavy traffic noise during peak travel hours. The proposed site has approximately 160 feet of frontage and a depth of approximately 375 feet. The area is zoned Single Family R-AA, large residential estate, which requires minimum site dimensions of 150' X 150' however with 60,000 minimum square feet. Therefore, the site is to be a legally conforming lot.

The proposed 60,000 square foot dry sites will be divided among 5 similarly sized sites, all of which are currently improved with tennis courts, parking lots and the "Gold Room", the main dining room that hosts the formal galas held at Mar-A-Lago. To the best of our knowledge, the structure which is the "Gold Room", was among the most recently developed structures within Mar-A-Lago. Currently the overall improvements contribute to the overall integrity of the entire property.

In our opinion, due to the desirability of the site (located on the ocean block, south/central location under the flight path), the scarcity of land yet the contributory value of the underlying land use, the hypothetical redevelopment of the land may not represent the highest and best use of the land.

ADDENDUM

Borrower: N/A	File No.: TrumpDry4
Property Address: One 60,000 dry site	Case No.:
City: Palm Beach	State: FL. Zip: 33480
Lender: Mar a Lago Club Inc	

LAND VALUE ANALYSIS

We have analyzed six Sales with dry in town locations on the island to estimate the value of the Subject site. The sales were analyzed based on the price per square foot method of valuation which is the most common method of analysis in the valuation of dry sites. Percentage adjustments were applied for the estimated difference in time, exact block location (ocean, center, lake and proximity to the PBI), location on the island, and contributory value of any improvements, if applicable. For the above mentioned reasons, the sales analyzed were considered comparable to the Subject Property.

Sales 2, 3 and 4 were adjusted upward 20% per year for 2005 based on the current and recent appreciation rates in local dry markets. Sales 2 and 5 have similar proximity to the ocean on ocean block locations. Sales 1, 3, 4 and 6 have inferior locations further away from the ocean and were adjusted upward accordingly approximately 10% per block west. All of the Sales have superior locations away from PBI, Sales 1-3, 5 & 6 experiencing no noise factor, were adjusted downward 30% for this superior factor while Sale 4 is with the flight path, however, not as direct a proximity. This, Sale 4 was adjusted downward 15% for somewhat superior noise factor. All of the above locational adjustments were presented as a net adjustment on the sales grid.

Sale 5 involved a renovated 1950's home which was purchased by an adjacent owner. It appears to have some contributory value as a guest home which was estimated to be \$50/SF x 3,636 square feet of living area or \$363,600 resulting in a net downward adjustment of this amount.

All of the Sales except Sale 6 were adjusted upward an estimated 25% for lack of Mar-a-Lago affiliation. Although Sale 6 is not located on the grounds of this world famous club, it carries its own premium for location on Clark Avenue which has historically been a premium address, everything else being equal. We estimate a 15% premium for Clark Avenue based on paired sales analysis with the other sales for a net upward adjustment of 10% to this Sale.

Due to the percentage of development, building sites are typically acquired via the demolition of older homes for new construction. Demolition costs were not considered in our analysis due to their nominal costs compared to the multi-million dollar sale prices.

- 1) \$244.07 - \$24.41 + \$61.02 = \$280.68/SF
- 2) \$263.04 + \$24.59 = \$287.63 - \$14.38 = \$273.25/SF
- 3) \$239.94 + \$40.07 = \$280.01 + \$14 = \$294.01/SF
- 4) \$245.71 + \$12.29 = \$258 + \$77.40 = \$335.40/SF
- 5) \$327.59 - \$363,600 = \$3,436,400/11,600 SF = \$296.24/SF - \$14.81/SF = \$281.43/SF
- 6) \$326.82 - \$32.68 = \$294.14/SF

After adjustments, the sales range in price per square foot ranged from \$273.25 to \$335.40 with an average of \$293.17/SF. However, due to the Subject's large size and resulting economies of scale, potential detraction from the contributory value to the overall club and low elevation of the lot (all but Lot 1 closest to the ocean), we have adjusted the final price per square foot down 15% to \$250/SF. Thus, the estimated value is calculated as follows:

VALUATION

60,000 square feet X \$250/SF = **\$15,000,000**

Statement Of Limiting Conditions and Appraisers Certification

I certify that, to the best of my knowledge and belief, the reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics of the Appraisal Institute and the Standards

ADDENDUM

Borrower: N/A	File No.: TrumpDry4	
Property Address: One 60,000 dry site	Case No.:	
City: Palm Beach	State: FL	Zip: 33480
Lender: Mar a Lago Club Inc		

of Professional Practice.

I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

The use of this report is subject to the requirements of the State of Florida relating to review by the Florida Real Estate Appraisal Board.

As of the date of this report, Michael R. Slade, MAI, SRA has completed the requirements under the continuing education program of the Appraisal Institute.

"SUMMARY APPRAISAL REPORT"
LAND APPRAISAL REPORT

File No: 07-57825trumpLake3

Property Address One 60,329 lakefront site Census Tract 35.02		LENDER DISCRETIONARY USE																																																																		
City Palm Beach County Palm Beach State FL Zip Code 33480		Sale Price \$ _____																																																																		
Legal Description Lot 6, Mar-a-Lago		Date _____																																																																		
Owner/Occupant Mar a Lago Club Inc Map Reference 43-43-35		Mortgage Amount \$ _____																																																																		
Sale Price \$ N/A Date of Sale N/A		Property Rights Appraised																																																																		
Loan charges/concessions to be paid by seller \$ N/A		<input checked="" type="checkbox"/> Fee Simple																																																																		
R.E. Taxes \$ Not determined Tax Year 2006 HOA \$/Mo. Unknown		<input type="checkbox"/> Leasehold																																																																		
Lender/Client Mar a Lago Club Inc		<input type="checkbox"/> Condominium (HUD/NA)																																																																		
1100 South Ocean Boulevard, Palm Beach, FL 33480		<input type="checkbox"/> PUD																																																																		
LOCATION <input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural <input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25% GROWTH RATE <input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow PROPERTY VALUES <input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining DEMAND/SUPPLY <input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply MARKETING TIME <input type="checkbox"/> Under 3 Mos. <input checked="" type="checkbox"/> 3-6 Mos. <input type="checkbox"/> Over 6 Mos.		NEIGHBORHOOD ANALYSIS <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td></td> <td>Good</td> <td>Avg</td> <td>Fair</td> <td>Poor</td> </tr> <tr> <td>Employment Stability</td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Convenience to Employment</td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Convenience to Shopping</td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Convenience to Schools</td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Adequacy of Public Transportation</td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Recreation Facilities</td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Adequacy of Facilities</td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Property Compatibility</td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Protection from Detrimental Cond.</td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Police & Fire Protection</td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>General Appearance of Properties</td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Appeal to Market</td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </table>			Good	Avg	Fair	Poor	Employment Stability	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Convenience to Employment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Convenience to Shopping	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Convenience to Schools	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Adequacy of Public Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Recreation Facilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Adequacy of Facilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Property Compatibility	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Protection from Detrimental Cond.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Police & Fire Protection	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	General Appearance of Properties	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Appeal to Market	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Note: Race or the racial composition of the neighborhood are not considered reliable appraisal factors. COMMENTS: Proposed small portion of folio # 50-43-43-35-00-002-0390. Palm Beach is a seasonal market in which market activity increases from November to May. As a result, marketing times are typically in excess of six months. See addendum for neighborhood comments.

Dimensions 375 x 165 x 375 x 130, Subject to survey		Topography Level to Lake	
Site Area 60000 Sq.Ft. +/- Corner Lot Yes		Size Larger than typical	
Zoning Classification R-AA/Large Estate Residential Zoning Compliance Yes		Shape Slightly irregular	
HIGHEST & BEST USE: Present Use No Other Use Prep for development		Drainage Appears adequate	
UTILITIES Public Other Electricity <input checked="" type="checkbox"/> <input type="checkbox"/> Gas <input type="checkbox"/> available Water <input checked="" type="checkbox"/> Sanitary Sewer <input checked="" type="checkbox"/> Storm Sewer <input checked="" type="checkbox"/>		SITE IMPROVEMENTS Type Public Private Street <input checked="" type="checkbox"/> Asphalt <input type="checkbox"/> Curb/Gutter <input type="checkbox"/> Concrete <input checked="" type="checkbox"/> Sidewalk <input type="checkbox"/> None <input type="checkbox"/> Street Lights <input type="checkbox"/> Limited <input checked="" type="checkbox"/> Alley <input type="checkbox"/> None <input type="checkbox"/>	
View Lake/So. Blvd./Flight Path		Landscaping Standard	
Driveway None		Apparent Easements Typical Utility	
FEMA Flood Hazard Yes* No Zone C		FEMA* Map/Zone CP# 120220 0003C 9/82	

Comments (Apparent adverse easements, encroachments, special assessments, slide areas, etc.): See Attached Addendum.

The undersigned has recited three recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment, reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to, or more favorable than, the subject property, a minus (-) adjustment is made, thus reducing the indicated value of subject; if a significant item in the comparable is inferior to, or less favorable than, the subject property, a plus (+) adjustment is made, thus increasing the indicated value of the subject.

ITEM	SUBJECT	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
Address	One 60,000 lake site-Palm Bch	200 Via Pelicano Palm Beach	770 S. County Road Palm Beach	1141 North Lake Way Palm Beach
Proximity to Subject		0.22 miles S	0.84 miles NNE	5.35 miles N
Sales Price	\$ N/A	\$ 21,000,000	\$ 16,000,000	\$ 7,125,000
Price/ FF	\$ N/A	\$ 103960	\$ 76190	\$ 70545
Data Source	Inspection/PR's	Contract/Prior Appraisal/Field	Field/Public Records/MLS	Field/Public Records/MLS
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	DESCRIPTION	DESCRIPTION
Sales or Financing Concessions		Conv Mtg	Cash	Cash
Date of Sale/Time	7/07	Current Contract	1/06	No Adj
Location	LakeSo.OfSBlvd	LakeSo.OfSBlvd	LakeNo.OfSBlvd	No Net
Site/View	In PBIA path	In PBIA path	In PBIA path	Adjust. No PBIA or FPL
Size	375 FF	202 FF (-5%)	210 FF (-5%)	101 FF (+25%)
Depth	150 avg. Ft.	460 avg. ft. (-30%)	310 avg. ft. (-20%)	206 ft. (-5%)
Mar-a-Lago Club	Yes	No (+25%)	No (+25%)	No (+25%)
Improvements	Yes- no value	No-razed	Yes-no value	No-razed
Net Adj. (total)		\$	\$	\$
Indicated Value of Subject		Gross: Net: \$ See Addenda	Gross: Net: \$ See Addenda	Gross: Net: \$ See Addenda

Comments of Sales Comparison: See Addenda

Comments and Conditions of Appraisal: Personal property was not included in analysis. The Income Approach was not used since the Subject is not a typical investment property.
 Final Reconciliation: Greater emphasis was placed on the Sales Comparison Approach in the final estimate of Market Value with support from the Cost Approach.

I (WE) ESTIMATE THE MARKET VALUE, AS DEFINED, OF THE SUBJECT PROPERTY AS OF July 11, 2007 to be \$ 28,000,000
 I (We) certify: that to the best of my (our) knowledge and belief, the facts and data used herein are true and correct; that I (we) personally inspected the subject property and inspected all comparable sales cited in this report; and that I (we) have no undisclosed interest, present or prospective therein.
 Appraiser(s) *Jennifer L. Day* Review Appraiser *M.R. Slade* Did Did Not Inspect Property
 Jennifer L. Day (if applicable) Michael R. Slade MAI, SRA, CRE

ADDENDUM

Borrower: N/A	File No.: TrumpLake3	
Property Address: One 60,329 lakefront site	Case No.:	
City: Palm Beach	State: FL	Zip: 33480
Lender: Mar a Lago Club Inc		

Neighborhood Comments

The Subject Property is located in the Town of Palm Beach. The municipality is located on a coastal island, east of the Florida mainland. It extends approximately 3/4 mile wide at the widest part to about 500 feet at the narrowest. The northern boundary is the Palm Beach Inlet and the southern boundary is south of Lake Avenue. The island is separated from the mainland by Lake Worth (also known as the Intracoastal Waterway), a salt water lake approximately 3/4 of a mile wide.

The Town of Palm Beach has a permanent population of approximately 10,000 year round residents with about 35,000 people residing within the town during the winter season (November to May). The Town of Palm Beach is world renowned for its European atmosphere, excellent shopping and dining facilities. Shopping in Palm Beach is provided by several centers, the most famous of which is Worth Avenue. The Esplanade on Worth Avenue, a 90,000 square foot shopping mall features a Saks Fifth Avenue and 48 selected boutiques and shops. Worth Avenue was designed for strolling along its Palm lines blocks. There are three private golf courses, one public par three course and six private clubs consisting of The Sailfish Club, The Palm Beach Country Club, The Beach Club, The Everglades Club, The Bath and Tennis Club and the newest, Donald Trump's Mar-A-Lago.

Conclusion: Palm Beach is a well established community which is approximately 95% developed with a reasonable density. The municipality has strong governmental controls which has affected orderly growth in the past. The majority of the residents are opposed to are further growth.

Single Family homes on the island range from \$700,000 to in excess of \$120,000,000 with a predominant value of \$4,500,000. The marketing time for the more expensive properties is typically in excess of one year since it is a seasonal market. Due to the percentage of development, vacant building sites are scarce. Many building sites are acquired via the purchase of older homes which are razed for new construction. Values have increased over the past 6 to 7 years with the largest percentage increase in waterfront properties in 2000 and 2005 to the present.

Site Comments

The Subject site is located in the southern end of the central portion of the island, between Worth Avenue and directly north of Southern Boulevard, overlooking Lake Worth. The proposed future site location is a portion of the current Mar-a-Lago Club's main site. This oversized lot suffers from two major sources of external obsolescence, one being the proximity to Southern Blvd., a major east/west bound thoroughfare, at a point just east of the bridge which tends to bottle-neck during AM and PM rush hours on and off the island. The second major form of external obsolescence is from the Subject's proximity located directly under the flight path of the Palm Beach International Airport and the accompanying increased traffic noise during peak travel hours. The proposed site has approximately 375 feet of frontage on the lake and an average depth of approximately 150 feet. The area is zoned Single Family R-AA, large estate residential, which requires minimum site dimensions of 150' X 150' however with 60,000 minimum square feet. Therefore, the site is to be a legally conforming lot. The oversized site could not be broken down into 2 sites for zoning purposes (size requirements) and due to the configuration of the site and the resulting lack of access. This excess lake frontage, in our opinion, would command full market value (keeping all other factors in mind) for the first 200 feet while the second 175 feet would command less due to the law of diminishing returns.

It should be noted that this section of the lake has more shallow water than to the north which is an obvious drawback to serious yachtsman. However, this portion of the island known as the Estate Section is quite desirable for it's large estate-sized homes due to the R-A and R-AA zoning requiring larger sites. An additional premium for the location would be the extremely

ADDENDUM

Borrower: N/A	File No.: TrumpLake3
Property Address: One 60,329 lakefront site	Case No.:
City: Palm Beach	State: FL Zip: 33480
Lender: Mar a Lago Club Inc	

rare single lakefront site on the grounds of the world renowned Mar-a-Lago Club. All of the above have been considered in our final analysis. In our opinion, the proposed redevelopment of the land represents the highest and best use of the land.

LAND VALUE ANALYSIS

We have analyzed five sales of direct lakefront sites in the Palm Beach market to estimate the value of the Subject site. The sales were analyzed based on the price per front foot method of valuation which is the most common method of analysis in the valuation of waterfront sites. Percentage adjustments were applied for the estimated difference in time, location on the island, as well as contributory value of remaining improvements, if applicable. The Sales analyzed were the most recent oceanfront sales in the Palm Beach market of comparable location.

Contract Sale 1 and Sale 2 have very similar locations on the island as the Subject Property in that they are located in the southern portion of central Palm Beach where the lake is much more shallow; they are located in the flight path of the Palm Beach International Airport and they are all located in the Estate Section, surrounded by substantial homes. However, that being said, the Subject is considered inferior in location to all of the Sales in that it is located directly north of the very busy intersection of State Road A1A and Southern Boulevard. Although we did not make an additional downward adjustment for this on the grid, it was factored in at the final analysis. Sales 3, 5 and 5 are located in or near the north end which has gained tremendous popularity within the past year +/- . The Sales around 100 front feet were adjusted upward up to roughly 200 front feet. However, after 200 feet of frontage the price per front foot tends to go down, due to economies of scale. The economies of scale is not a factor, to a certain extent, with depth as the more shallow the site the less substantial a structure and site improvements can be built on the site. Other factors such as Mar-a-lago affiliation, views of FP & L Plant and high elevation were also considered in our adjustments.

Due to the percentage of development, building sites are typically acquired via the demolition of older homes for new construction. Demolition costs were not considered in our analysis due to their nominal costs compared to the multi-million dollar sale prices.

The Sales were adjusted as follows:

- 1) \$103,960 - 10,396 = \$93,564/FF
- 2) \$76,190/FF
- 3) \$70,545 + 17,636 = \$88,181/FF
- 4) \$86,207/FF
- 5) \$117,000 - 17,550 = \$99,450/FF

After adjustments, the sales range in price per front foot from \$76,190 to \$99,450 with an average of \$88,718. However, as previously mentioned, the Subject's location directly adjacent to Southern Blvd. and the bottle-neck traffic at this intersection we have adjusted the final number down to \$75,000/FF as follows:

VALUATION

375 Front Feet X \$75,000 per Front Foot = \$28,125,000, say **\$28,000,000.**

Statement Of Limiting Conditions and Appraisers Certification

I certify that, to the best of my knowledge and belief, the reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics of the Appraisal Institute and the Standards

ADDENDUM

Borrower: N/A	File No.: Trumplake3	
Property Address: One 60,329 lakefront site	Case No.:	
City: Palm Beach	State: FL	Zip: 33480
Lender: Mar a Lago Club Inc		

of Professional Practice.

I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

The use of this report is subject to the requirements of the State of Florida relating to review by the Florida Real Estate Appraisal Board.

As of the date of this report, Michael R. Slade, MAI, SRA has completed the requirements under the continuing education program of the Appraisal Institute.

"SUMMARY APPRAISAL REPORT"
LAND APPRAISAL REPORT

File No. 07-57825trumpLtdOcn2

Property Address One 20,000 limited ocean view site		Census Tract 35.02		LENDER DISCRETIONARY USE					
City Palm Beach County Palm Beach State FL Zip Code 33480				Sale Price \$ _____					
Legal Description Lot 7, Mar-a-Lago				Date _____					
Owner/Occupant Mar a Lago Club Inc		Map Reference 43-43-35		Mortgage Amount \$ _____					
Sale Price \$ N/A Date of Sale N/A		Property Rights Appraised		Mortgage Type _____					
Loan charges/concessions to be paid by seller \$ N/A		<input checked="" type="checkbox"/> Fee Simple		Discount Points and Other Concessions _____					
R.E. Taxes \$ Not determined Tax Year 2006 HOA \$/Mo. Unknown		<input type="checkbox"/> Leashold		Paid by Seller \$ _____					
Lender/Client Mar a Lago Club Inc		<input type="checkbox"/> Condominium (HUDVA)		Source _____					
1100 South Ocean Boulevard, Palm Beach, FL 33480		<input type="checkbox"/> PUD							
LOCATION		<input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural		NEIGHBORHOOD ANALYSIS					
BUILT UP		<input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%		Employment Stability <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>					
GROWTH RATE		<input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow <input type="checkbox"/> Declining		Convenience to Employment <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>					
PROPERTY VALUES		<input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Over Supply		Convenience to Shopping <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>					
DEMAND/SUPPLY		<input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply		Convenience to Schools <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>					
MARKETING TIME		<input type="checkbox"/> Under 3 Mos. <input checked="" type="checkbox"/> 3-6 Mos. <input type="checkbox"/> Over 6 Mos.		Adequacy of Public Transportation <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>					
PRESENT LAND USE %		LAND USE CHANGE		PREDOMINANT OCCUPANCY		SINGLE FAMILY HOUSING		<input checked="" type="checkbox"/> Recreation Facilities	
Single Family 65% Not Likely <input checked="" type="checkbox"/>		Likely <input type="checkbox"/>		Owner <input checked="" type="checkbox"/>		PRICE 700 Low New AGE (yrs)		<input checked="" type="checkbox"/> Adequacy of Facilities	
2-4 Family 0% In process <input type="checkbox"/>		To: _____		Tenant <input type="checkbox"/>		120M+ High 124		<input checked="" type="checkbox"/> Property Compatibility	
Multi-Family 20%				Vacant (0-5%) <input checked="" type="checkbox"/>		Predominant		<input checked="" type="checkbox"/> Protection from Dairtmental Cond.	
Commercial 10%				Vacant (over 5%) <input type="checkbox"/>		4.5M+- - 50		<input checked="" type="checkbox"/> Police & Fire Protection	
Industrial 0%								<input checked="" type="checkbox"/> General Appearance of Properties	
Vacant 5%								<input checked="" type="checkbox"/> Appeal to Market	

Note: Race or the racial composition of the neighborhood are not considered reliable appraisal factors. COMMENTS: Proposed small portion of folio # 50-43-43-35-00-002-0390. Palm Beach is a seasonal market in which market activity increases from November to May. As a result, marketing times are typically in excess of six months. See addendum for neighborhood comments.

Dimensions 133.33 x 150, subject to survey		Topography Level to A1A	
Site Area 20000 Sq.Ft.		Size Typical of area	
Zoning Classification Single Family R-A Corner Lot yes		Shape Rectangular	
HIGHEST & BEST USE: Present Use Yes Other Use _____		Drainage Appears adequate	
UTILITIES		SITE IMPROVEMENTS	
Electricity <input checked="" type="checkbox"/> Public <input type="checkbox"/> Other _____		Street Asphalt <input type="checkbox"/> Public <input checked="" type="checkbox"/> Private	
Gas <input type="checkbox"/> available		Curb/Gutter Concrete <input type="checkbox"/> <input checked="" type="checkbox"/>	
Water <input checked="" type="checkbox"/>		Sidewalk None <input type="checkbox"/> <input type="checkbox"/>	
Sanitary Sewer <input checked="" type="checkbox"/>		Street Lights Limited <input type="checkbox"/> <input checked="" type="checkbox"/>	
Storm Sewer <input checked="" type="checkbox"/>		Ailey None <input type="checkbox"/> <input type="checkbox"/>	
		View Limited Ocean across St.	
		Landscaping Standard	
		Driveway None	
		Apparent Easements Typical Utility	
		FEMA Flood Hazard Yes* No Zone C	
		FEMA* Map/Zone CP# 120220 0003C 9/82	

Comments (Apparent adverse easements, encroachments, special assessments, slide areas, etc.): See Attached Addendum.

The undersigned has recited three recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment, reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to, or more favorable than, the subject property, a minus (-) adjustment is made, thus reducing the indicated value of subject; if a significant item in the comparable is inferior to, or less favorable than, the subject property, a plus (+) adjustment is made, thus increasing the indicated value of the subject.

ITEM	SUBJECT	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
Address	One 20,000 ltd Ocean	1047 S. Ocean Boulevard Palm Bch	700 S. Ocean Boulevard Palm Beach	409 Antigua Lane Palm Beach
Proximity to Subject		0.76 miles S	0.11 miles E	1.37 miles NNW
Sales Price	\$ N/A	\$ 8,250,000	\$ 10,800,000	\$ 3,417,000
Price/ SF	\$ N/A	\$ *74452	\$ 94737	\$ 244.07
Data Source	Inspection/PR's	PubRecs/Field/MLS/Agent	Public Records/Field/Inspection	Public Records/Field/MLS
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	DESCRIPTION	DESCRIPTION
Sales or Financing Concessions		Cash	Cash	Cash
Date of Sale/Time	7/07	5/07	5/07	4/07
Location	PBIA only	PBIA only	No PBIA	No PBIA
Site/View	Limited Ocean	Direct Ocean	Indirect Ocean	Dry view/In Town
Size	20000 SF	13000 SF	25992 SF	14000 SF
Improvements	Yes-No Value	8048SF @\$100	No-razed	Yes-no value
Mar-a-Lago Club			Tunnel to strip	
Premium local	Yes	No	No-razed	No
Net Adj. (total)			(see above)	
Indicated Value of Subject		Gross: \$ See Addenda	Gross: \$ See Addenda	Gross: \$ See Addenda

Comments of Sales Comparison: See Addenda.

Comments and Conditions of Appraisal: Personal property was not included in analysis. The Income Approach was not used since the Subject is not a typical investment property.
Final Reconciliation: Greater emphasis was placed on the Sales Comparison Approach in the final estimate of Market Value with support from the Cost Approach.

I (WE) ESTIMATE THE MARKET VALUE, AS DEFINED, OF THE SUBJECT PROPERTY AS OF July 11, 2007 to be \$ 7,500,000
I (We) certify: that to the best of my (our) knowledge and belief, the facts and data used herein are true and correct; that I (we) personally inspected the subject property and inspected all comparable sales cited in this report; and that I (we) have no undisclosed interest, present or prospective therein.

Appraiser(s) *Jennifer L. Day* Review Appraiser *M.R. Slade* Did Did Not Inspect Property
Jennifer L. Day Michael R. Slade MAI, SRA, CRE

ADDENDUM

Borrower: N/A	File No.: TrumpltdOcn2	
Property Address: One 20,000 limited ocean view site	Case No.:	
City: Palm Beach	State: FL	Zip: 33480
Lender: Mar a Lago Club Inc		

Neighborhood Comments

The Subject Property is located in the Town of Palm Beach. The municipality is located on a coastal island, east of the Florida mainland. It extends approximately 3/4 mile wide at the widest part to about 500 feet at the narrowest. The northern boundary is the Palm Beach Inlet and the southern boundary is south of Lake Avenue. The island is separated from the mainland by Lake Worth (also known as the Intracoastal Waterway), a salt water lake approximately 3/4 of a mile wide.

The Town of Palm Beach has a permanent population of approximately 10,000 year round residents with about 35,000 people residing within the town during the winter season (November to May). The Town of Palm Beach is world renowned for its European atmosphere, excellent shopping and dining facilities. Shopping in Palm Beach is provided by several centers, the most famous of which is Worth Avenue. The Esplanade on Worth Avenue, a 90,000 square foot shopping mall features a Saks Fifth Avenue and 48 selected boutiques and shops. Worth Avenue was designed for strolling along its Palm lined blocks. There are three private golf courses, one public par three course and six private clubs consisting of The Sailfish Club, The Palm Beach Country Club, The Beach Club, The Everglades Club, The Bath and Tennis Club and the newest, Donald Trump's Mar-A-Lago.

Conclusion: Palm Beach is a well established community which is approximately 95% developed with a reasonable density. The municipality has strong governmental controls which has affected orderly growth in the past. The majority of the residents are opposed to are further growth.

Single Family homes on the island range from \$700,000 to in excess of \$120,000,000 with a predominant value of \$4,500,000. The marketing time for the more expensive properties is typically in excess of one year since it is a seasonal market. Due to the percentage of development, vacant building sites are scarce. Many building sites are acquired via the purchase of older homes which are razed for new construction. Values have increased over the past 6 to 7 years with the largest percentage increase in waterfront properties in 2000 and 2005 to the present.

Site Comments

The Subject site is located in the southern end of the central portion of the island, between Worth Avenue and Southern Boulevard, east of Lake Worth and west of Ocean Boulevard on the ocean block of Southern Blvd. This location is directly below the flight path of the Palm Beach International Airport and experiences heavy traffic noise during peak travel hours. The hypothetical site is irregular in shape at the eastern end with a curved radius of approximately feet of frontage and an average depth of approximately 242 feet. The area is zoned Single Family R-AA, large residential estate, which requires minimum site dimensions of 150' X 150' however with 60,000 minimum square feet. Therefore, the site is to be a legally conforming lot.

The Subject site is currently improved with a parking lot for the outer service buildings and the entrance to the tunnel which leads to the beach. In our opinion, the overall improvements contribute to the overall integrity of the entire property since parking is limited.

In our opinion, due to the desirability of the site (located on the ocean block, south/central location under the flight path), the scarcity of land yet the contributory value of the underlying land use, the hypothetical redevelopment of the land may not represent the highest and best use of the land.

LAND VALUE ANALYSIS

We have analyzed two oceanfront and three dry site sales based on the price per front foot

ADDENDUM

Borrower: N/A	File No.: TrumpltdOcn2
Property Address: One 20,000 limited ocean view site	Case No.:
City: Palm Beach	State: FL Zip: 33480
Lender: Mar a Lago Club Inc	

and square foot, respectively. Percentage adjustments were applied for the estimated difference in block location (ocean, center, lake and proximity to busy Southern Blvd. and the PBIA), location on the island, and contributory value of any improvements, if applicable. For the above mentioned reasons, the sales analyzed were considered the most comparable to the Subject Property.

Sales 1 and 2 have superior ocean views with Sales 1's being direct and Sales 2's indirect (west of State Road A1A) but with no homes located on the ocean side of the street limiting the view. Furthermore, the two oceanfront Sales have use of the beach with the Subject would not due to the existence of the Bath and Tennis Club property. All of the Sales were adjusted downward for superior proximity away from Southern Blvd. and less (if any) affected by PBIA. All of the above locational adjustments were presented as a net adjustment on the sales grid.

Sales 1 and 4 involved homes with some limited contributory value which was estimated to be \$50/SF and \$100/SF, respectively.

All of the Sales except Sales 2 and 5 were adjusted upward an estimated 25% for lack of Mar-a-Lago affiliation. Sale 2 has it's own private tunnel to the beach and full beach access. Although Sale 5 is not located on the grounds of this world famous club, is carries its own premium for location on Clark Avenue which has historically been a premium address, everything else being equal. We estimate a 15% premium for Clark Avenue based on paired sales analysis with the other sales for a net upward adjustment of 10% to this Sale.

Due to the percentage of development, building sites are typically acquired via the demolition of older homes for new construction. Demolition costs were not considered in our analysis due to their nominal costs compared to the multi-million dollar sale prices.

- 1) $\$8,250,000 - 804,800 = \$7,445,200$ attributed to the land or $\$74,452/FF + 11,168 = \$85,620/FF$
- 2) $\$94,737 - 18,947 = \$75,790/FF$
- 3) $\$244.07 + 61.02 = \$305.09/SF$
- 4) $\$327.59 + 49.14 = \$376.73/SF$
- 5) $\$326.82/SF$

After adjustments, the sales range in price per front foot from \$75,790 to \$85,620 with an average of \$80,705/FF. However, due to the Subject site configuration with the side yard facing the water, not the front of the site, waterfront views from the home would be even more limited unless the design of the home were facing east and, therefore, sideways on the site. Thus, we have adjusted the waterfront sites down an additional 25% to \$60,000/ff (RD). Sales 3-5 range from \$305.09/SF to \$376.73/SF with an average of \$336.21/SF. Thus, the estimated value is calculated as follows:

VALUATION

133.33 approximate front feet X \$60,000/FF = \$7,999,800
20,000 SF x \$335/SF = \$6,700,000

With more weight given to the oceanfront Sales, we have estimated **\$7,500,000** for the Subject Property.

Statement Of Limiting Conditions and Appraisers Certification

I certify that, to the best of my knowledge and belief, the reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics of the Appraisal Institute and the Standards

ADDENDUM

Borrower: N/A	File No.: TrumpLtdOcn2	
Property Address: One 20,000 limited ocean view site	Case No.:	
City: Palm Beach	State: FL	Zip: 33480
Lender: Mar a Lago Club Inc		

of Professional Practice.

I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

The use of this report is subject to the requirements of the State of Florida relating to review by the Florida Real Estate Appraisal Board.

As of the date of this report, Michael R. Slade, MAI, SRA has completed the requirements under the continuing education program of the Appraisal Institute.

**"SUMMARY APPRAISAL REPORT"
LAND APPRAISAL REPORT**

File No. 07-57825trumpDry1

Property Address One 20,000 dry site		Census Tract 35.02		LENDER DISCRETIONARY USE	
City Palm Beach County Palm Beach State FL Zip Code 33480				Sale Price \$ _____	
Legal Description Lots 8 & 9, Mar-a-Lago				Date _____	
Owner/Occupant Mar a Lago Club Inc		Map Reference 43-43-35		Mortgage Amount \$ _____	
Sale Price \$ N/A Date of Sale N/A		Property Rights Appraised		Mortgage Type _____	
Loan charges/concessions to be paid by seller \$ N/A		<input checked="" type="checkbox"/> Fee Simple		Discount Points and Other Concessions _____	
R.E. Taxes \$ Not determined Tax Year 2006 HOA \$/Mo. Unknown		<input type="checkbox"/> Leashold		Paid by Seller \$ _____	
Lender/Client Mar a Lago Club Inc		<input type="checkbox"/> Condominium (HUDVA)		Source _____	
1100 South Ocean Boulevard, Palm Beach, FL 33480		<input type="checkbox"/> PUD			

LOCATION	<input type="checkbox"/> Urban	<input checked="" type="checkbox"/> Suburban	<input type="checkbox"/> Rural	NEIGHBORHOOD ANALYSIS			
BUILT UP	<input checked="" type="checkbox"/> Over 75%	<input type="checkbox"/> 25-75%	<input type="checkbox"/> Under 25%	Employment Stability	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
GROWTH RATE	<input type="checkbox"/> Rapid	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Slow	Convenience to Employment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
PROPERTY VALUES	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining	Convenience to Shopping	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
DEMAND/SUPPLY	<input type="checkbox"/> Shortage	<input checked="" type="checkbox"/> In Balance	<input type="checkbox"/> Over Supply	Convenience to Schools	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
MARKETING TIME	<input type="checkbox"/> Under 3 Mos.	<input checked="" type="checkbox"/> 3-6 Mos.	<input type="checkbox"/> Over 6 Mos.	Adequacy of Public Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

PRESENT LAND USE %	LAND USE CHANGE	PREDOMINANT OCCUPANCY	SINGLE FAMILY HOUSING	COMMENTS: Proposed small portion of folio # 50-43-43-35-00-002-0390. Palm Beach is a seasonal market in which market activity increases from November to May. As a result, marketing times are typically in excess of six months. See addendum for neighborhood comments.			
Single Family 65%	Not Likely <input checked="" type="checkbox"/>	Owner <input checked="" type="checkbox"/>	PRICE \$ (000) 700	AGE (yrs) Low	Recreation Facilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2-4 Family 0%	Likely <input type="checkbox"/>	Tenant <input type="checkbox"/>	120M+ High	124	Adequacy of Facilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Multi-Family 20%	In process <input type="checkbox"/>	Vacant (0-5%) <input checked="" type="checkbox"/>	Predominant		Property Compatibility	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Commercial 10%	To: _____	Vacant (over 5%) <input type="checkbox"/>	4.5M+- 50		Protection from Detrimental Cond.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Industrial 0%					Police & Fire Protection	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Vacant 5%					General Appearance of Properties	<input checked="" type="checkbox"/>	<input type="checkbox"/>
					Appeal to Market	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Dimensions 133 x 150, subject to survey	Topography Level to road grade
Site Area 20000 SF +/- as per site plan	Size Larger than typical
Zoning Classification Single Family R-A	Shape Rectangular
HIGHEST & BEST USE: Present Use No	Drainage Appears adequate
Other Use Prep for development	View Dry/Ocean block

UTILITIES	SITE IMPROVEMENTS	VIEW
Electricity <input checked="" type="checkbox"/> Public <input type="checkbox"/> Other	Street Asphalt	Landscaping Standard
Gas <input type="checkbox"/> available	Curb/Gutter Concrete	Driveway None
Water <input checked="" type="checkbox"/>	Sidewalk None	Apparent Easements Typical Utility
Sanitary Sewer <input checked="" type="checkbox"/>	Street Lights Limited	FEMA Flood Hazard Yes* No Zone C
Storm Sewer <input checked="" type="checkbox"/>	Alley None	FEMA* Map/Zone CP# 120220 0003C 9/82

Comments (Apparent adverse easements, encroachments, special assessments, slide areas, etc.): **See Attached Addendum.**

The undersigned has recited three recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment, reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to, or more favorable than, the subject property, a minus (-) adjustment is made, thus reducing the indicated value of subject; if a significant item in the comparable is inferior to, or less favorable than, the subject property, a plus (+) adjustment is made, thus increasing the indicated value of the subject.

ITEM	SUBJECT	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
Address	Lot 9 Mar-a-Lago Palm Beach	409 Antiqua Lane Palm Beach	158 Dunbar Road Palm Beach	225 Dunbar Road Palm Beach
Proximity to Subject		2.17 miles N	3.19 miles N	3.19 miles N
Sales Price	\$ N/A	\$ 3,417,000	\$ 5,150,000	\$ 5,201,500
Price/ SF	\$ N/A	\$ 244.07	\$ 263.04	\$ 239.94
Data Source	Inspection/PR's	Public Records/Field/MLS	Public Records/Field/MLS	Public Records/Field/MLS

VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	Adjustment	DESCRIPTION	Adjustment	DESCRIPTION	Adjustment
Sales or Financing Concessions		Cash		Cash		Cash	
Date of Sale/Time	7/07	4/07		7/05	(+8.35%)	2/05	(+16.7%)
Location	So/Cntl P. Bch	Central P. Bch \		Central P. Bch \		Central P. Bch \	
Site/View	PBIA/Ocn blk	NoPBIA/LkBlk /	(-10%)	NoPBIA/OcnBlk/	(-30%)	NoPBIA/CtrBlk/	(-20%)
Size	20000 SF	14000 SF	See Addenda	19579 SF		21678 SF	
Improvements	Yes-no value	Yes-no value		Yes-no value		No-vacant	
Mar-a-Lago Club							
Premium local	Yes	No	(+25%)	No	(+25%)	No	(+25%)
Net Adj. (total)							
Indicated Value of Subject		Gross: \$ See Addenda		Gross: \$ See Addenda		Gross: \$ See Addenda	

Comments of Sales Comparison: **See Addenda.**

Comments and Conditions of Appraisal: **Personal property was not included in analysis. The Income Approach was not used since the Subject is not a typical investment property.**

Final Reconciliation: **Greater emphasis was placed on the Sales Comparison Approach in the final estimate of Market Value with support from the Cost Approach.**

I (WE) ESTIMATE THE MARKET VALUE, AS DEFINED, OF THE SUBJECT PROPERTY AS OF July 11, 2007 to be \$ 6,000,000

I (We) certify: that to the best of my (our) knowledge and belief, the facts and data used herein are true and correct; that I (we) personally inspected the subject property and inspected all comparable sales cited in this report; and that I (we) have no undisclosed interest, present or prospective therein.

Appraiser(s) <i>Jennifer L. Day</i>	Review Appraiser <i>M.R. Slade</i>	<input checked="" type="checkbox"/> Did <input type="checkbox"/> Did Not Inspect Property
St.Cert.Res.REA RD1132		St.Cert.Gen.REA RZ118

ADDENDUM

Borrower: N/A	File No.: TrumpDry1	
Property Address: One 20,000 dry site	Case No.:	
City: Palm Beach	State: FL	Zip: 33480
Lender: Mar a Lago Club Inc		

Neighborhood Comments

The Subject Property is located in the Town of Palm Beach. The municipality is located on a coastal island, east of the Florida mainland. It extends approximately 3/4 mile wide at the widest part to about 500 feet at the narrowest. The northern boundary is the Palm Beach Inlet and the southern boundary is south of Lake Avenue. The island is separated from the mainland by Lake Worth (also known as the Intracoastal Waterway), a salt water lake approximately 3/4 of a mile wide.

The Town of Palm Beach has a permanent population of approximately 10,000 year round residents with about 35,000 people residing within the town during the winter season (November to May). The Town of Palm Beach is world renowned for its European atmosphere, excellent shopping and dining facilities. Shopping in Palm Beach is provided by several centers, the most famous of which is Worth Avenue. The Esplanade on Worth Avenue, a 90,000 square foot shopping mall features a Saks Fifth Avenue and 48 selected boutiques and shops. Worth Avenue was designed for strolling along its Palm lines blocks. There are three private golf courses, one public par three course and six private clubs consisting of The Sailfish Club, The Palm Beach Country Club, The Beach Club, The Everglades Club, The Bath and Tennis Club and the newest, Donald Trump's Mar-A-Lago.

Conclusion: Palm Beach is a well established community which is approximately 95% developed with a reasonable density. The municipality has strong governmental controls which has affected orderly growth in the past. The majority of the residents are opposed to are further growth.

Single Family homes on the island range from \$700,000 to in excess of \$120,000,000 with a predominant value of \$4,500,000. The marketing time for the more expensive properties is typically in excess of one year since it is a seasonal market. Due to the percentage of development, vacant building sites are scarce. Many building sites are acquired via the purchase of older homes which are razed for new construction. Values have increased over the past 6 to 7 years with the largest percentage increase in waterfront properties in 2000 and 2005 to the present.

Site Comments

The Subject site is located in the southern end of the central portion of the island, between Worth Avenue and Southern Boulevard, east of Lake Worth and west of Ocean Boulevard on the ocean block of Woodbridge Road. This location is directly below the flight path of the Palm Beach International Airport and experiences heavy traffic noise during peak travel hours. The proposed site has approximately 133 feet of frontage and a depth of approximately 150 feet. The area is zoned Single Family R-A, estate residential, which requires minimum site dimensions of 125' X 150' however with 20,000 minimum square feet. Therefore, the site is to be a legally conforming lot.

The proposed 20,000 square foot dry sites will be divided among 3 currently unequal sites, 2 of which are improved with dated structures. The original improvements on the 2 sites were built between 1953 and 1974. Currently the overall improvements are dated and do not represent the highest and best use of the combined land.

In our opinion, due to the desirability of the site (located on the ocean block, south/central location under the flight path), the scarcity of land and condition of the existing improvements, the proposed redevelopment of the land represent the best use of the land.

LAND VALUE ANALYSIS

We have analyzed six Sales with dry in town locations on the island to estimate the value of the Subject site. The sales were analyzed based on the price per square foot method of

ADDENDUM

Borrower: N/A	File No.: TrumpDry1
Property Address: One 20,000 dry site	Case No.:
City: Palm Beach	State: FL Zip: 33480
Lender: Mar a Lago Club Inc	

valuation which is the most common method of analysis in the valuation of dry sites. Percentage adjustments were applied for the estimated difference in time, exact block location (ocean, center, lake and proximity to the PBI), location on the island, and contributory value of any improvements, if applicable. For the above mentioned reasons, the sales analyzed were considered comparable to the Subject Property.

Sales 2, 3 and 4 were adjusted upward 20% per year for 2005 based on the current and recent appreciation rates in local dry markets. Sales 2 and 5 have similar proximity to the ocean on ocean block locations. Sales 1, 3, 4 and 6 have inferior locations further away from the ocean and were adjusted upward accordingly approximately 10% per block west. All of the Sales have superior locations away from PBI, Sales 1-3, % & 6 experiencing no noise factor, were adjusted downward 30% for this superior factor while Sale 4 is with the flight path, however, not as direct a proximity. This, Sale 4 was adjusted downward 15% for somewhat superior noise factor. All of the above locational adjustments were presented as a net adjustment on the sales grid.

Sale 5 involved a renovated 1950's home which was purchased by an adjacent owner. It appears to have some contributory value as a guest home which was estimated to be \$50/SF x 3,636 square feet of living area or \$363,600 resulting in a net downward adjustment of this amount.

All of the Sales except Sale 6 were adjusted upward an estimated 25% for lack of Mar-a-Lago affiliation. Although Sale 6 is not located on the grounds of this world famous club, is carries its own premium for location on Clark Avenue which has historically been a premium address, everything else being equal. We estimate a 15% premium for Clark Avenue based on paired sales analysis with the other sales for a net upward adjustment of 10% to this Sale.

Due to the percentage of development, building sites are typically acquired via the demolition of older homes for new construction. Demolition costs were not considered in our analysis due to their nominal costs compared to the multi-million dollar sale prices.

- 1) $\$244.07 - \$24.41 + \$61.02 = \$280.68/SF$
- 2) $\$263.04 + \$24.59 = \$287.63 - \$14.38 = \$273.25/SF$
- 3) $\$239.94 + \$40.07 = \$280.01 + \$14 = \$294.01/SF$
- 4) $\$245.71 + \$12.29 = \$258 + \$77.40 = \$335.40/SF$
- 5) $\$327.59 - \$363,600 = \$3,436,400/11,600 SF = \$296.24/SF - \$14.81/SF = \$281.43/SF$
- 6) $\$326.82 - \$32.68 = \$294.14/SF$

After adjustments, the sales range in price per square foot ranged from \$273.25 to \$335.40 with an average of \$293.17/SF. Based on this data, we have concluded at the higher end of the value range due to the high profile and rare Mar-a-lago location, or \$300 per square foot . Thus, the estimated value is calculated as follows:

VALUATION

20,000 square feet X \$300/SF = **\$6,000,000**

Statement Of Limiting Conditions and Appraisers Certification

I certify that, to the best of my knowledge and belief, the reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics of the Appraisal Institute and the Standards of Professional Practice.

I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

ADDENDUM

Borrower: N/A	File No.: TrumpDry1	
Property Address: One 20,000 dry site	Case No.:	
City: Palm Beach	State: FL	Zip: 33480
Lender: Mar a Lago Club Inc		

The use of this report is subject to the requirements of the State of Florida relating to review by the Florida Real Estate Appraisal Board.

As of the date of this report, Michael R. Slade, MAI, SRA has completed the requirements under the continuing education program of the Appraisal Institute.

"SUMMARY APPRAISAL REPORT"
LAND APPRAISAL REPORT

File No. 07-57825trumpOcn2

Property Address One 20,000 oceanfront site Census Tract 35.02		LENDER DISCRETIONARY USE	
City Palm Beach County Palm Beach State FL Zip Code 33480		Sale Price \$ _____	
Legal Description Lots 10 & 11, Mar-a-Lago		Date _____	
Owner/Occupant Mar a Lago Club Inc Map Reference 43-43-35		Mortgage Amount \$ _____	
Sale Price \$ N/A Date of Sale N/A		Mortgage Type _____	
Loan charges/concessions to be paid by seller \$ N/A		Discount Points and Other Concessions _____	
R.E. Taxes \$ Not determined Tax Year 2006 HOA \$/Mo. Unknown		Paid by Seller \$ _____	
Lender/Client Mar a Lago Club Inc		Source _____	
1100 South Ocean Boulevard, Palm Beach, FL 33480			
LOCATION <input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural <input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25% GROWTH RATE <input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow PROPERTY VALUES <input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining DEMAND/SUPPLY <input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply MARKETING TIME <input type="checkbox"/> Under 3 Mos. <input checked="" type="checkbox"/> 3-6 Mos. <input type="checkbox"/> Over 6 Mos.		NEIGHBORHOOD ANALYSIS Employment Stability <input checked="" type="checkbox"/> Good <input type="checkbox"/> Avg. <input type="checkbox"/> Fair <input type="checkbox"/> Poor Convenience to Employment <input checked="" type="checkbox"/> Convenience to Shopping <input checked="" type="checkbox"/> Convenience to Schools <input checked="" type="checkbox"/> Adequacy of Public Transportation <input checked="" type="checkbox"/> Recreation Facilities <input checked="" type="checkbox"/> Adequacy of Facilities <input checked="" type="checkbox"/> Property Compatibility <input checked="" type="checkbox"/> Protection from Detrimental Cond. <input checked="" type="checkbox"/> Police & Fire Protection <input checked="" type="checkbox"/> General Appearance of Properties <input checked="" type="checkbox"/> Appeal to Market <input checked="" type="checkbox"/>	

Note: Race or the racial composition of the neighborhood are not considered reliable appraisal factors. COMMENTS: Proposed small portion of folio # 50-43-43-35-00-002-0390. Palm Beach is a seasonal market in which market activity increases from November to May. As a result, marketing times are typically in excess of six months. See addendum for neighborhood comments.

Dimensions 160 x 127, subject to survey		Topography Level to road grade	
Site Area 20000 Sq.Ft. Corner Lot Yes		Size Typical of area	
Zoning Classification Single Family R-A Zoning Compliance Yes		Shape Slightly irregular	
HIGHEST & BEST USE: Present Use No Other Use Prep for development		Drainage Appears adequate	
UTILITIES Electricity <input checked="" type="checkbox"/> Public <input type="checkbox"/> Other _____ Gas <input type="checkbox"/> available _____ Water <input checked="" type="checkbox"/> _____ Sanitary Sewer <input checked="" type="checkbox"/> _____ Storm Sewer <input checked="" type="checkbox"/> _____		View Ocean/Very Good Landscaping Standard Driveway None Apparent Easements Typical Utility FEMA Flood Hazard Yes* No Zone C FEMA* Map/Zone CP# 120220 0003C 9/82	
Comments (Apparent adverse easements, encroachments, special assessments, slide areas, etc.): See Attached Addendum.			

The undersigned has recited three recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment, reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to, or more favorable than, the subject property, a minus (-) adjustment is made, thus reducing the indicated value of subject; if a significant item in the comparable is inferior to, or less favorable than, the subject property, a plus (+) adjustment is made, thus increasing the indicated value of the subject.

ITEM	SUBJECT	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
Address	One 20,000 Oceanfront site	1047 S. Ocean Boulevard Palm Bch	1695 N. Ocean Way Palm Bch	500 S. Ocean Boulevard Palm Beach
Proximity to Subject		0.27 miles N	6.51 miles N	1.55 miles N
Sales Price	\$ N/A	\$ 8,250,000	\$ 10,950,000	\$ 11,000,000
Price/ SF	\$ N/A	\$ 74452	\$ 99545	\$ 88105 *
Data Source	Inspection/PR's	PubRecs/Field/MLS/Agent	PubRecs/Field/MLS/Agent	Public Records/Field/MLS
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	DESCRIPTION	DESCRIPTION
Sales or Financing		Cash	Conv Mtg	Cash
Concessions				
Date of Sale/Time	7/07	5/07	8/06	7/05
Location	PBIA/So.Blvd	PBIA/So.Blvd	North End	Central P. Beach
Site/View	Direct Ocean	Direct Ocean	Direct Ocean	Indirect Ocean
Size	160 FF	100 feet (+20%)	110 feet (+15%)	100 feet (+20%)
Depth	127 +/- feet	130 avg. feet	389 avg. feet (-20%)	225 feet (-10%)
Mar-a-Lago Club	Yes	No (+25%)	N/A (+25%)	Strip on beach (+5%)
Improvements	Yes-no value	8048SF @\$100 -804,800	yes-no value	8758SF @\$250* -2,189,500
Net Adj. (total)				
Indicated Value of Subject		Gross: Net: \$ See Addenda	Gross: Net: \$ See Addenda	Gross: Net: \$ See Addenda

Comments of Sales Comparison: **See Addenda.**

Comments and Conditions of Appraisal: **Personal property was not included in analysis. The Income Approach was not used since the Subject is not a typical investment property.**
 Final Reconciliation: **Greater emphasis was placed on the Sales Comparison Approach in the final estimate of Market Value with support from the Cost Approach.**

I (WE) ESTIMATE THE MARKET VALUE, AS DEFINED, OF THE SUBJECT PROPERTY AS OF July 11, 2007 to be \$ **16,000,000**
 I (We) certify: that to the best of my (our) knowledge and belief, the facts and data used herein are true and correct; that I (we) personally inspected the subject property and inspected all comparable sales cited in this report; and that I (we) have no undisclosed interest, present or prospective therein.
 Appraiser(s) *Jennifer L. Day* Review Appraiser *M.R. Slade* (if applicable) **Michael R. Slade MAI, SRA, CRE** Did Did Not Inspect Property

**"SUMMARY APPRAISAL REPORT"
LAND APPRAISAL REPORT**

File No. 07-57825trumpOcn2

The undersigned has recited three recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment, reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to, or more favorable than, the subject property, a minus (-) adjustment is made, thus reducing the indicated value of subject; if a significant item in the comparable is inferior to, or less favorable than, the subject property, a plus (+) adjustment is made, thus increasing the indicated value of the subject.

ITEM	SUBJECT	COMPARABLE NO. 4		COMPARABLE NO. 5		COMPARABLE NO. 6	
Address	One 20,000 Oceanfront site	516 S. Ocean Boulevard Palm Beach		700 S. Ocean Boulevard Palm Beach			
Proximity to Subject		1.53 miles N		.11 miles E			
Sales Price	\$ N/A	\$ 8,050,000		\$ 10,800,000		\$	
Price/ SF	\$ N/A	\$ 80500		\$ 94737		\$	
Data Source	Inspection/PR's	Public Records/Field/Inspection		Public Records/Field/Inspection			
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+/- Adjustment	DESCRIPTION	+/- Adjustment	DESCRIPTION	+/- Adjustment
Sales or Financing Concessions		Cash		Cash			
Date of Sale/Time	7/07	9/05	(+5%)	5/07			
Location	PBIA/So.Blvd	Central P. Beach	(-30%)	Central P. Beach	(-30%)		
Site/View	Direct Ocean	Indirect Ocean	(+20%)	Indirect Ocean	(+20%)		
Size	160 FF	100 feet	(+20%)	114 feet	(+15%)		
Depth	127+/- feet	225 feet	(-10%)	228 feet	(-10%)		
Mar-a-Lago Club	Yes	Strip on beach	(+5%)	Tunnel to strip	(+5%)		
Improvements	Yes-no value	No-razed		No-razed			
Net Adj. (total)		<input type="checkbox"/> + <input type="checkbox"/> - \$		<input type="checkbox"/> + <input type="checkbox"/> - \$		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$	0
Indicated Value of Subject		Gross:		Gross:		Gross: 0.0%	
		Net:	\$ See Addenda	Net:	\$ See Addenda	Net: 0.0%	\$ 0

ADDITIONAL COMMENTS

ADDENDUM

Borrower: N/A	File No.: TrumpOcn2	
Property Address: One 20,000 oceanfront site	Case No.:	
City: Palm Beach	State: FL	Zip: 33480
Lender: Mar a Lago Club Inc		

Neighborhood Comments

The Subject Property is located in the Town of Palm Beach. The municipality is located on a coastal island, east of the Florida mainland. It extends approximately 3/4 mile wide at the widest part to about 500 feet at the narrowest. The northern boundary is the Palm Beach Inlet and the southern boundary is south of Lake Avenue. The island is separated from the mainland by Lake Worth (also known as the Intracoastal Waterway), a salt water lake approximately 3/4 of a mile wide.

The Town of Palm Beach has a permanent population of approximately 10,000 year round residents with about 35,000 people residing within the town during the winter season (November to May). The Town of Palm Beach is world renowned for its European atmosphere, excellent shopping and dining facilities. Shopping in Palm Beach is provided by several centers, the most famous of which is Worth Avenue. The Esplanade on Worth Avenue, a 90,000 square foot shopping mall features a Saks Fifth Avenue and 48 selected boutiques and shops. Worth Avenue was designed for strolling along its Palm lined blocks. There are three private golf courses, one public par three course and six private clubs consisting of The Sailfish Club, The Palm Beach Country Club, The Beach Club, The Everglades Club, The Bath and Tennis Club and the newest, Donald Trump's Mar-A-Lago.

Conclusion: Palm Beach is a well established community which is approximately 95% developed with a reasonable density. The municipality has strong governmental controls which has affected orderly growth in the past. The majority of the residents are opposed to are further growth.

Single Family homes on the island range from \$700,000 to in excess of \$1,200,000 with a predominant value of \$4,500,000. The marketing time for the more expensive properties is typically in excess of one year since it is a seasonal market. Due to the percentage of development, vacant building sites are scarce. Many building sites are acquired via the purchase of older homes which are razed for new construction. Values have increased over the past 6 to 7 years with the largest percentage increase in waterfront properties in 2000 and 2005 to the present.

Site Comments

The Subject site is located in the southern end of the central portion of the island, between Worth Avenue and Southern Boulevard, east of Ocean Boulevard overlooking the Atlantic Ocean. The proposed future site location is a portion of the current beach club facilities affiliated with the Mar-a-Lago Club noise during peak travel hours. The proposed site has approximately 160 feet of frontage and a depth of approximately 127 feet. The area is zoned Single Family R-A, estate residential, which requires minimum site dimensions of 125' X 150' however with 20,000 minimum square feet. Therefore, the site is to be a legally conforming lot.

In our opinion, due to the desirability of the site located on the ocean, south/central location yet directly under the flight path and past the curb off Southern Blvd., the proposed redevelopment of the land represents the highest and best use of the land. It should be noted that there currently is a tunnel between the proposed oceanfront sites (current beach club) and the Mar-a-Lago Club across the street.

Coastal Construction Control Line

The Coastal Construction Control Line was implemented in 1985 by the Department of Natural Resources and is now regulated by the Department of Environmental Protection. This north/south line was designated for the preservation and protection of dune lines. As a result, construction east of the CCCL must be reviewed approved by the Department of Environment Protection. In addition, new homes constructed within 200 feet of the ocean

ADDENDUM

Borrower: N/A	File No.: TrumpOcn2
Property Address: One 20,000 oceanfront site	Case No.:
City: Palm Beach	State: FL Zip: 33480
Lender: Mar a Lago Club Inc	

must be built on pilings.

As a result, buyers of oceanfront or indirect oceanfront lots must receive a separate building permit from the DEP prior to commencement. This process generally takes 6-9 months. However, we are aware of owners who have received permits in as little as two months. According to a memorandum provided to us, the Subject Property is located east of the location of the CCCL. Therefore, it is a Limiting Condition of this report that the approvals and permitting are granted from the DEP. To our knowledge, no one has been denied a permit in the Palm Beach market. Consequently, it is a matter of dealing with state officials over plan review over a period of months.

LAND VALUE ANALYSIS

We have analyzed four sales of direct and indirect oceanfront sites in the Palm Beach market to estimate the value of the Subject site. The sales were analyzed based on the price per front foot method of valuation which is the most common method of analysis in the valuation of waterfront sites. Percentage adjustments were applied for the estimated difference in time, location on the island, as well as contributory value of remaining improvements, if applicable. The Sales analyzed were the most recent oceanfront sales in the Palm Beach market of comparable location.

Sales 3 and 4 were adjusted upward 20% per year for 2005 and 10% per year for 2006 based on the current and recent past oceanfront markets. Sales 2 and 3 have similar in-town locations and required no adjustment. Sale 1 is located on the north end of the island which is considered somewhat inferior due to the proximity to restaurants and shopping but is located directly on the beach. Furthermore, the difference in premium between the two locations has decreased in the 1-2 years. Sale 1 was as adjusted downward 5% for more depth.

Sale 3 sold with some remaining value to the improvements which were deducted from the total purchase price to arrive at the net price attributable to the land. We estimated \$250 based on comments from the Listing Agent regarding the quality, condition and contributory value of the house. Due to the percentage of development, building sites are typically acquired via the demolition of older homes for new construction. Demolition costs were not considered in our analysis due to their nominal costs compared to the multi-million dollar sale prices. Sale 3 is currently listed for sale for \$11,900,000 or \$119,000 per front foot. After a deduction for negotiation purposes, this listing supports our estimate below.

The Sales were adjusted as follows:

- 1) $\$8,250,000 - 804,800 = 7,445,200/100 = \$74,452/FF + 33,503 = \$107,955/FF$
- 2) $\$99,545/FF$ (No NET Adjustment)
- 3) $\$88,105 + 7,339 = \$95,444 + 4,772 = \$100,216/FF$
- 4) $\$80,500 + 8,050 = \$88,550/FF$
- 5) $\$94,737/FF$ (No NET Adjustment)

After adjustments, the sales range in price per front foot from \$88,550 to \$107,955 with an average of \$98,201. Based on this data, we have concluded at \$100,000 per front foot. Thus, the estimated value is calculated as follows:

VALUATION

160 front Feet X \$100,000 per Front Foot = \$16,000,000.

Statement Of Limiting Conditions and Appraisers Certification

I certify that, to the best of my knowledge and belief, the reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the

ADDENDUM

Borrower: N/A	File No.: TrumpOcn2	
Property Address: One 20,000 oceanfront site	Case No.:	
City: Palm Beach	State: FL	Zip: 33480
Lender: Mar a Lago Club Inc		

requirements of the Code of Professional Ethics of the Appraisal Institute and the Standards of Professional Practice.

I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

The use of this report is subject to the requirements of the State of Florida relating to review by the Florida Real Estate Appraisal Board.

As of the date of this report, Michael R. Slade, MAI, SRA has completed the requirements under the continuing education program of the Appraisal Institute.

LETTER OF ENGAGEMENT

Callaway & Price, Inc.
Real Estate Appraisers and Consultants
Licensed Real Estate Brokers

■WEST PALM BEACH■

Michael R. Slade, MAI, SRA, CRE
St.Cert.Gen.REA RZ116
Daniel P. Hrabko, MAI
St.Cert.Gen.REA RZ48
Stephen D. Shaw, MAI
St.Cert.Gen.REA RZ1192
Joe R. Price, MAI, SRA
St.Cert.Gen.REA RZ555
Robert J. Callaway, MAI, SRA
St.Cert.Gen.REA RZ505

E-mail: cpi@cpwpb.com

■FORT PIERCE/STUART■

Harry D. Gray, MAI, SRA
St.Cert.Gen.REA RZ662
Stephen G. Neill, MAI
St.Cert.Gen.REA RZ2480

■BOCA RATON■

Daniel P. Hrabko, MAI
St.Cert.Gen.REA RZ48

■MELBOURNE■

Curtis L. Phillips, MAI
St.Cert.Gen.REA RZ2085

Please reply to West Palm Beach

May 10, 2007

Mr. Ed Russo
Trump National
900 Lamington Road
Bedminster, NJ 07921

Dear Mr. Russo:

VIA EMAIL: ERusso@trumpnational.com

We would be pleased to prepare an appraisal on Mar A Lago located at 1100 South Ocean Boulevard in Palm Beach, Florida. It is our understanding that the purpose of the appraisal is to estimate the Market Value of a conservation easement (a restriction that limits the future use of a property to preservation, conservation, or wildlife habitat).

This report will be prepared for our client, Trump National. The intended use is to assist in establishing Market Value of the conservation easement for a possible donation. The scope of work performed is specific to the needs of the intended user and the intended use. No other use is intended, and the scope of work may not be appropriate for other use.

It is our opinion that in order to determine the Market Value of the conservation easement it will be necessary to estimate Market Value of the Mar A Lago Club on a "before basis" which considers the hypothetical development potential with a proposed 11 lot subdivision as detailed in a site plan provided by the Lawrence Group. The analysis of the potential subdivision, and therefore estimate of Market Value, will consider the hypothetical condition that the subdivision would be approved, developed with infrastructure, including roads, sewer, water, etc., and would have 11 saleable lots in addition to the Mar A Lago Club maintaining its presence at its existing location.

WEST PALM BEACH - 1639 Forum Place, Suite 5, West Palm Beach, FL 33401
FORT PIERCE - 500 South US Highway 1, Ste 107, Fort Pierce, FL 34950
BOCA RATON - PMB #87, 4400 N. Federal Hwy, Ste 210, Boca Raton, FL 33431
STUART - 500 South US Highway 1, Ste 107, Fort Pierce, FL 34950
MELBOURNE - 114 6th Avenue, Suite 3, Indialantic, FL 32903

(561)686-0333 / Fax (561)686-3705
(772)464-8607 / Fax (772)461-0809
(561)998-8088 / Fax (561)686-3705
(772)287-3330 / Fax (772)461-0809
(321)726-0970 / Fax (321)726-0384

Mr. Ed Russo
Trump National
May 10, 2007
Page Two

"On the After basis" we will consider the Mar A Lago Club as a Club with no potential development of any residential sites. The difference between the two value indications will be our opinion of the Market Value of the conservation easement.

The fee would be \$35,000-\$40,000. It is our policy to request a retainer and \$20,000 will suffice for this purpose. The remaining balance of the fee is due and payable upon delivery of the report. We will provide three originals of the final report. If you require a PDF format, please request it at the time of engagement or there will be an extra charge.

We need you to supply the legal description and/or survey, plans on the club, income and expenses for the last 2-3 years, pro forma, if available, number of members and potential members, for the hypothetical subdivision a preliminary estimate of the cost of the infrastructure, architectural and engineering work needed, person to contact and phone number, and any other information you deem appropriate.

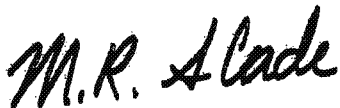
We will have the report completed in approximately 40-45 days from the day we receive your authorization and information requested; **be aware that delays in our receipt of information requested could postpone completion.**

Mr. Ed Russo
Trump National
May 10, 2007
Page Three

If the above is agreeable to you, please sign below as our authorization and return it together with the retainer and the information requested and we will begin work immediately. This agreement is subject to the Agreements and Conditions listed on the attached pages, a copy of which should also be signed and returned to us. Our work will be done in accordance with the Appraisal Institute Code of Ethics and Standards of Professional Practice. Thank you for the opportunity to be of service.

Respectfully submitted,

CALLAWAY & PRICE, INC.

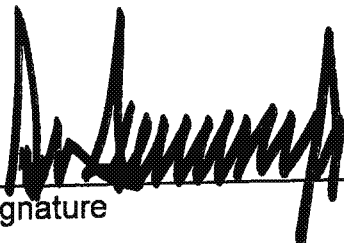


Michael R. Slade, MAI, SRA, CRE
St.Cert.Gen.REA RZ116

MRS:mcw
Attachments

Client:

Accepted By\Date:



Signature Date

Name and Title (Printed or Typed):

Client Fed ID# or SS#:

Quotes07/Russo

QUALIFICATIONS



Qualifications - Michael R. Slade, MAI, SRA, CRE

Professional Designations\Licenses\Certifications

Member, Appraisal Institute, MAI Designation # 6864, and SRA Designation
Member, American Society of Real Estate Counselors, CRE Designation
Florida State-Certified General Real Estate Appraiser RZ116
Real Estate Broker BK0128222, State of Florida
Appraisal Institute Approved Instructor (1986-1993) for:
 Course 201 - Principles of Income Property Appraisal
 Course 310 - Basic Income Capitalization

Professional Experience

Principal, Callaway & Price, Inc. since 1981
Staff Appraiser, Callaway & Price, Inc., 1975 to 1981
Special Master, Tax Appeal Hearings, Palm Beach County

Qualified As An Expert Witness

Broward County, Florida
Palm Beach County, Florida
Martin County, Florida
Federal District Court of Southern District of Florida
United States Bankruptcy Court Southern Florida
Supreme Court of the State of New York (for Florida properties)

Geographic Experience

Throughout Florida

Education

Masters of Business Administration, Florida Atlantic University
Bachelor of Science, Accounting, Florida Atlantic University
Society of Real Estate Appraisers:
 Course 101 - Introduction to Appraising Real Estate
 Course 201 - Principles of Income Property Appraising
 Course 202 - Advanced Applications



Qualifications - Michael R. Slade, MAI, SRA, CRE

Education Continued

American Institute of Real Estate Appraisers:

Course II - Urban Properties

Course IV - Condemnation

Standards of Professional Practice

Numerous seminars sponsored by the Appraisal Institute and other organizations

Organizations and Affiliations

Appraisal Institute:

National Chairman of Ethics Administration

National Vice Chairman of Ethics & Counseling

Review & Counseling Division, Past National Chairman

South Florida-Caribbean Chapter, Past President

American Society of Real Estate Counselors:

Southern Florida Chapter, past Treasurer

Urban Land Institute, Member

Palm Beach County Housing Authority:

Past Chairman/Board Member (Gubernatorial Appointment)

Chamber of Commerce of the Palm Beaches:

Board of Directors, Executive Committee, Treasurer

Economic Development Committee, Past Chair and Member

Society of Real Estate Appraisers (now Appraisal Institute):

Young Advisory Council, Past National Chairman and Member

Awards and Honors

Robert L. Foreman Memorial Award from the Appraisal Institute, 1999

Alumni Talon Award from Florida Atlantic University, 2001



Professional Designations\Licenses\Certifications

Member, Appraisal Institute, MAI Designation #11777
Florida State-Certified General Appraiser RZ2096

Professional Experience

Appraisal Consultant, Callaway & Price, Inc., since January 2003
Senior Appraiser, Palm Beach County Property Appraiser's Office, 2001-2003
President, Cignal Appraisal Consultants & Real Estate Analysts, 1994 to present
Appraiser and Consultant, Roe Westberry & Associates, 1992-1994
Assistant Vice President, Landauer Real Estate Consultants, 1989-1992
Manager, Market Research and Real Estate Analysis, MIG Companies, 1986-1989

Education

Bachelor of Arts Degree, Business Administration, University of Wisconsin
Appraisal Institute:

- Course 1A2 - Basic Valuation, 1991
- Course 310 - Basic Income Capitalization, 1992
- Course 2-1 - Case Studies in Real Estate Valuation, 1993
- Course 510 - Advance Income Capitalization, 1994
- Course 410/420 - Standards of Professional Practice, 1995
- Course 540 - Report Writing, 1996
- Course 550 - Advanced Applications, 1998
- Course 410/420 - Standards of Professional Practice, 2000
- Course 800 - Separating Real and Personal Property from Intangible Business Assets, 2002

Geographic Experience

Throughout Florida	Arizona	Arkansas
California	Georgia	Minnesota
Nevada	North Carolina	Tennessee
Texas	Washington State	

Appraising\Consulting Expertise

Agricultural Land/Groves Developments	Large-Scale Planned Unit
Apartment Complexes, 8-300+ Units	Marinas
Condominium Projects	Multi-Tenant Shopping Centers
Environmentally Sensitive Lands	Office Buildings
Golf Courses	Property in Litigation
Hotels	Proposed Subdivision -Residential
Industrial Properties	Shopping Centers