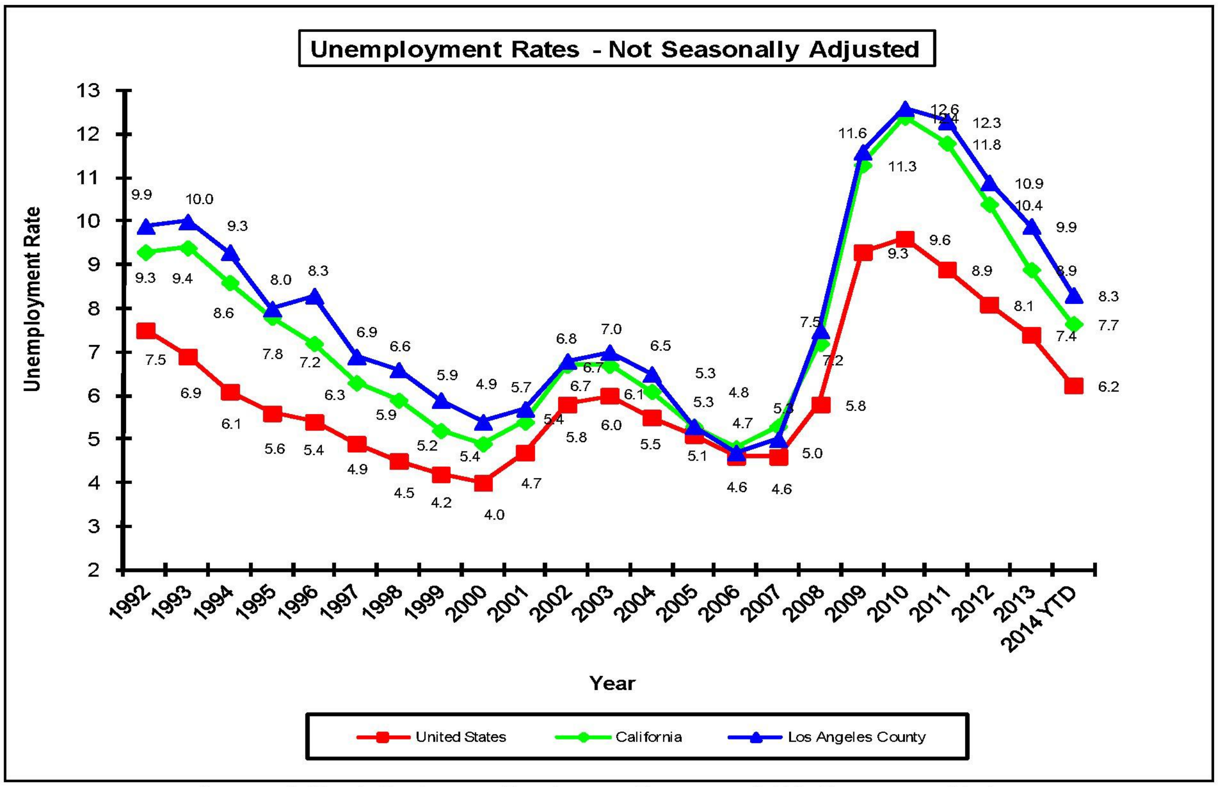
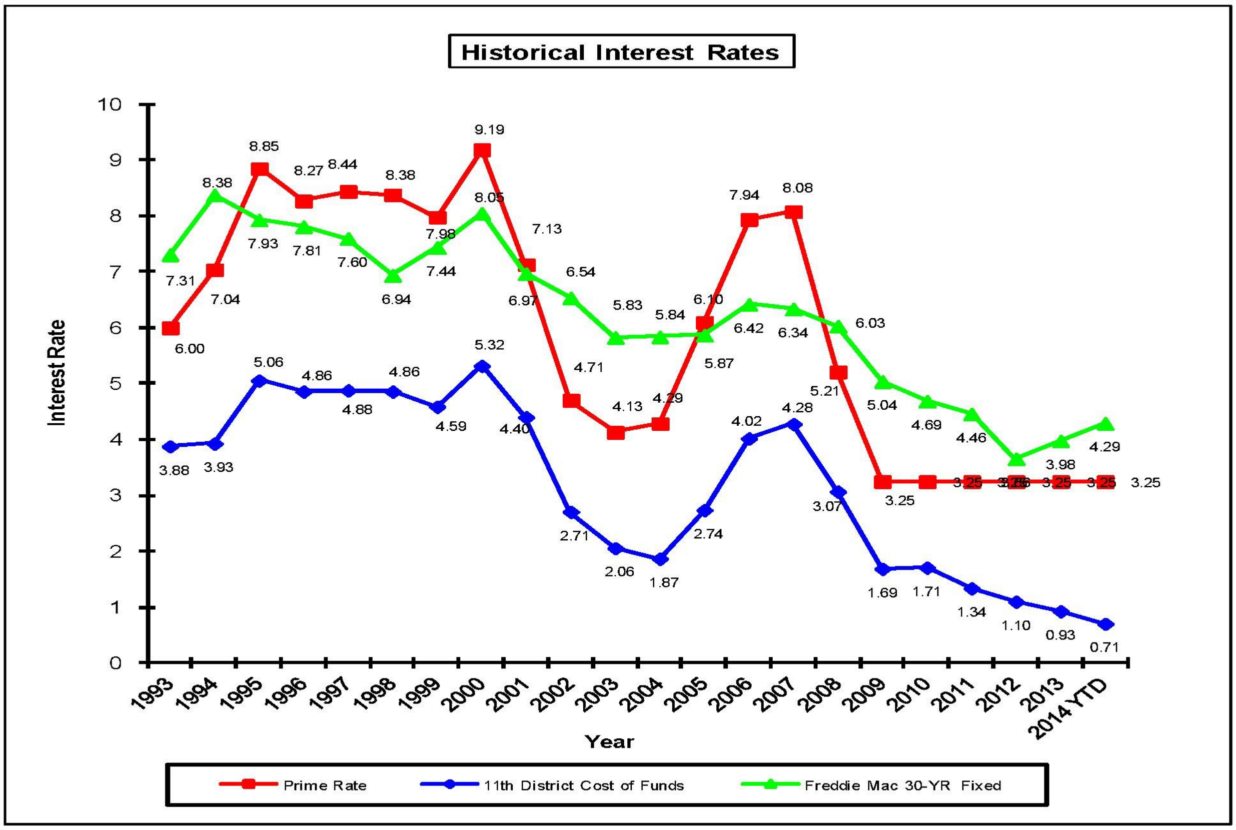


Source: California Employment Development Department & U.S. Department of Labor



Source: Mortgagecafe & Freddie Mac

GOLF COURSE IMPROVEMENTS DESCRIPTION

GENERAL DESCRIPTION

Trump National Golf Club (TNGC) Los Angeles is an 18-hole, daily fee golf club constructed in 1999. The course is a layout that features core design with returning nines that borders on the Pacific Ocean and along the Trump National Estates residential development. The TNGC has a driving range and putting green (Easement Parcel), clubhouse with a pro-shop, grille, extensive dining and banquet areas, locker rooms, and administrative offices. Cart storage is in a subterranean area beneath the clubhouse. Additionally, there is a separate golf course maintenance facility. The 18-hole championship golf course is a Pete Dye and Donald J. Trump Signature Design. Other amenities include a driving range with approximately 40 hitting stations, and a practice putting green.

LAYOUT

The Trump National Golf Club Los Angeles is a traditional layout highlighted by several small ravines and natural areas. The subject course is predominantly classified as a “core” golf course layout. The golf course contains mostly rolling topography that enhances the golf design. Trump National Golf Club Los Angeles offers a unique golf experience with rolling terrain, creeks, some steep slopes and a view of the Pacific Ocean from the entire course. The fairways appear to have adequate width in the playing corridors, and the tees and greens have ample build up in elevation and are generally regulation in size. The sand bunkers are adequate with built up edges with slight depressions in the sand areas. The greens are elevated and are average in size at about 6,000 sf. Each hole generally has separate tee boxes for men and women that play from five different distances.

IRRIGATION AND WATER SOURCE

The golf course irrigation system consists of an automatic state of the art multi-row system. Water for the clubhouse is provided by the California Water Service Company. The golf course is irrigated with water also provided by the CA Water Service Company. The course purchases the water, and the cost is contained within the golf course maintenance costs. There are pump stations utilized to remove water from the lakes for irrigation purposes. Based on discussions with the golf course superintendent, the golf course irrigation system is assumed to be in good condition for its intended use.

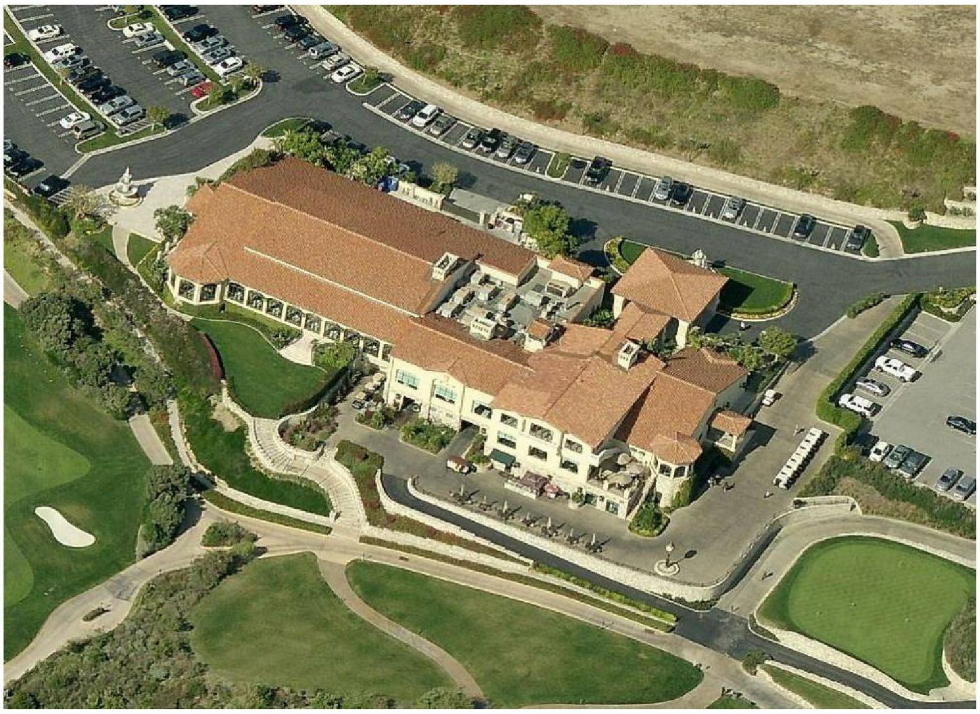
FEATURES

Based on our inspection and interviews with on-site personnel, drainage is considered to be adequate throughout the course. The course features continuous concrete cart paths around all tees, fairways and greens that were observed to be in good condition. The turf grass appears mature and in good condition. The bunkers are also in good condition.

PHYSICAL DESCRIPTION

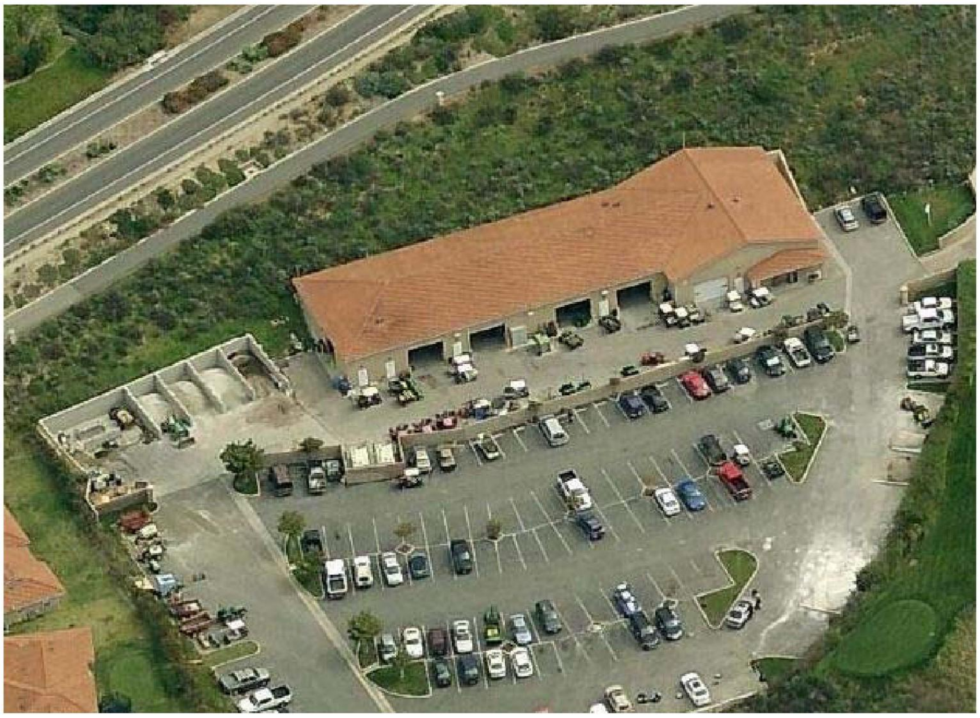
Year(s) Built:	1999; 2006 redesign
Number of Holes:	18
Land Acres To Hole Ratio:	14.50 to 1
Clubhouse/Locker Room:	45,000 square feet; three-story masonry on wood frame building on a concrete foundation. It houses the pro shop, dining area, banquet space, commercial kitchen, locker rooms and administrative offices.

Clubhouse



Maintenance Barn: 10,500 square feet; one story masonry structures on concrete foundations.

Golf Course Maintenance Facility



PERSONAL PROPERTY

Personal property included in our valuation includes landscape and golf course maintenance equipment, kitchen equipment, fitness equipment and clubhouse furniture and fixtures. The golf carts and some of the course maintenance equipment are leased.

SUMMARY

Condition: Good

Quality: Good

Property Rating: After considering all of the physical characteristics of the golf club, we have concluded that this property has on overall rating that is good, when measured against other competitive golf courses.

Age: 15 years

CAPITAL EXPENDITURES

Known Costs: We are not aware of any planned capital expenditures that would have an impact on the subject property. Discussions with the prospective buyer indicated no specific planned capital expenditures in the near future.

PHYSICAL DETERIORATION

Cost to Cure: We are not aware of any deferred maintenance required to be completed.

GOLF MARKET ANALYSIS

NATIONAL GOLF MARKET ANALYSIS OVERVIEW

For the last fifteen years, the golf industry has continued to suffer from golf course oversupply and deterioration in demand on a national basis and in most local markets. The majority of markets throughout the United States are oversupplied and demand has declined by most measurable statistics for over the last decade. Golf player retention and player participation rates continue to be the challenges for the business of golf. Further golf capital markets that were negatively affected by national and world economic circumstances in 2008 have yet to fully recover, as have the capital markets of other property types. Individually, these circumstances would be enough to put golf in a negative light as an investment asset class, but collectively create a perception and reality that golf is on the bottom of the investment hierarchy and will remain there for several years. Some recovery has been occurring in the last three years, enhanced by a return of golf lenders to the market, albeit with conservative underwriting criteria.

GOLF CAPITAL MARKETS

During the early part of the last decade, most of the golf club sales and investment activity was attributed to sales to owner operators or club membership upon sellout of the residential component of the overall project. Investment was based on current or anticipated profitable operations fueled by increasing demand. The abundance of investment capital and debt financing created a seller's market and very competitive and decreasing required rates of return. Until the recent credit crunch, golf investment continued to be attractive to traditional golf investor/operators, including Wall Street due to its access to capital and their need to get higher returns than traditional real estate could offer. Certain buyers emerged such as KSL, formerly KSL Fairways, which purchased the Clubcorp portfolio in December 2006 for $1.8 billion. CNL Properties, a real estate investment trust, was also in a buying mode, acquiring over 50 golf courses for a total investment of $550 million from 2006 through late 2008. In December 2007 CNL closed on a 28-property portfolio of former American Golf properties, which consisted of a combination of the portfolio's top performers and some poorly performing courses. That represented CNL's last major acquisition. The industry began to see a significant decline in investment sales activity in 2008 as the economic conditions around the country became much less optimistic. Subsequent to the Lehman collapse in September 2008, sales were stagnant in 2009 and some investors and single operators believed that the market was on the bottom and a recovery was imminent.

Several factors caused investment sales activity to come to almost a complete halt in 2010. As stated, the golf course industry clearly suffered from a combination of oversupply in most markets and a decline in the economy which diminishes the available discretionary income that golf depends upon. Also, the majority of courses were constructed as amenities to real estate developments, which caused a large portion of new construction to be undeterred by unfavorable golf course supply and demand considerations. As real estate developments suffered or even failed, the golf course amenity clearly suffered. Thus, an abundance of golf courses throughout the United States were not supporting their capital costs or debt load, and adding to the market imbalance. A significant portion of the industry remains over leveraged from pre-recession borrowing.

Exacerbating poor industry performance is the lack of debt funds available in the market. Beginning in the late 1980's, golf club financing was increasingly available from golf oriented lenders including Textron Financial Corp., Pacific Life Insurance, Capmark, GE Capital and First National of America. Wells Fargo and to some extent, regional and local commercial banks, also participated in golf lending. Generally, there were a sufficient number of golf course lenders prior to the recession with ample funds to place in the market at terms commensurate with other asset classes of real estate. However, the lack of liquidity had a profound effect on the major golf focused lenders such as Textron, GE Capital and Capmark golf. As the margins for these credit lenders shrunk and the risk characteristics for golf increased, these lenders stopped or severely restricted their lending operations late in the 3rd quarter, or early 4th quarter of 2008. Further in December 2008, Textron, the most prolific golf course lender in the US, decided to close its golf lending division permanently. GE Capital and Capmark quickly followed suit by ceasing their lending operations. Their business plan was that existing loans would not be renewed, forcing borrowers to seek funds elsewhere, and that the loans would be liquidated as they mature. The practical result has been a combination of loan extensions and foreclosures, making Textron one of the largest golf course owners in the U.S. While there is clearly a lack of major funding vehicles for golf investment at this time, funding is occurring through the small to midsized banks based on long standing relationships or through seller financing. While still a small part of the golf capital structure, we saw more “new money” loans from banks in 2013 than at any point in the last four years. However, cash purchases still dominated the industry in 2014 and the cash buyer became very powerful in the golf industry. As for golf lending, some investment funds have been formed to lend on golf. They have initially been focused on stable and sustainable operations with a positive cash flow.

Recent portfolio acquisitions appear to show some confidence in the industry. Clubcorp recently acquired 38 golf courses from Sequoia Golf. The portfolio has a significant number of assets in the Atlanta area, but also had prominent clubs in other major markets, such as The Woodlands, Texas. The purchase expands the Clubcorp portfolio to about 140 golf properties throughout the U.S. Clubcorp continues to look at deals, but with stringent investment criteria, and will likely continue to be a buyer for certain strategically located or positioned assets where their private club expertise is needed and the rate of return is well above historic norms. Also, developers who require high quality management of their golf amenity tend to discount the product for such an operator as Clubcorp. The company has also tried to divest certain assets that do not fit their corporate model.

Arcis Golf, backed by Fortress Investments, has agreed to purchase the CNL Lifestyle REIT golf course portfolio, consisting of 48 properties. CNL, the only active golf course REIT, had not made an acquisition since acquiring the 28-course AGC portfolio in 2008. Their activity declined as their chief operator, Eagl Golf, struggled to make its lease payments in 2008 and beyond, coinciding with the deterioration of market fundamentals.

While some consolidation is occurring, the industry remains very fragmented, with over 80 percent of all facilities owned by small one or two property operators. Industry executives, both on the buy and sell sides, have stated that the market is currently in favor of the buyer, which has a downward effect on pricing, especially those with cash who can close quickly. Only properties with well established levels of cash flow are attractive to the very few lenders that would consider golf. Given the current economics, financing for new projects will remain difficult in the near term. In fact, the current credit concerns have almost halted all lending, although underwriting continues in anticipation of closing. The result is that underwriting standards have become even more stringent. Properties without a consistent positive cash flow can expect loan to value ratios of no more than 50 percent from most lenders.

NATIONAL TRENDS CONCLUSION

Overall, the national golf market continues to suffer from oversupply and relatively flat to slightly declining demand. Total rounds and total golfers in the U.S. declined over the past several years until 2012, which showed an increase of 26 million rounds or 11 percent over 2011. 2013 and 2014 statistics show a fairly flat trend. On a positive note, the decrease in new courses developed and the level of course closings are combining to bring slow improvement to the golf course market. Over the past few years, golf course development shifted toward public daily fee use as opposed to private country club development, a trend which can be expected to continue due to the most recent federal tax laws, which reduces the deductibility of private country club memberships.

Interest in good golf product is increasing, with sales volume increasing in 2013 and 2014 over previous years as the economy recovers and mortgage funds become more available. Some investors are of the opinion that prices for strong properties have increased and investors are willing to pay prices reflecting normalized rates of return.

All the figures presented are indicators of trends in the golf industry on a national basis. Consequently, local market conditions may differ from these national trends significantly. Golf is an extremely localized market industry. Some markets have experienced growth at even higher rates while others have exhibited no growth or severe decline.

In summary, golf continues its popularity in the United States and there is no indication that this popularity will experience a significant decline, although minor fluctuations will occur. The demographics of the U.S. population indicate that public access golf facilities will be in strong demand for at least the next 20 years, while the national and regional economies will determine the economic success of high end daily play and private membership clubs.

LOCAL GOLF MARKET ANALYSIS

COMPETITIVE FACILITIES

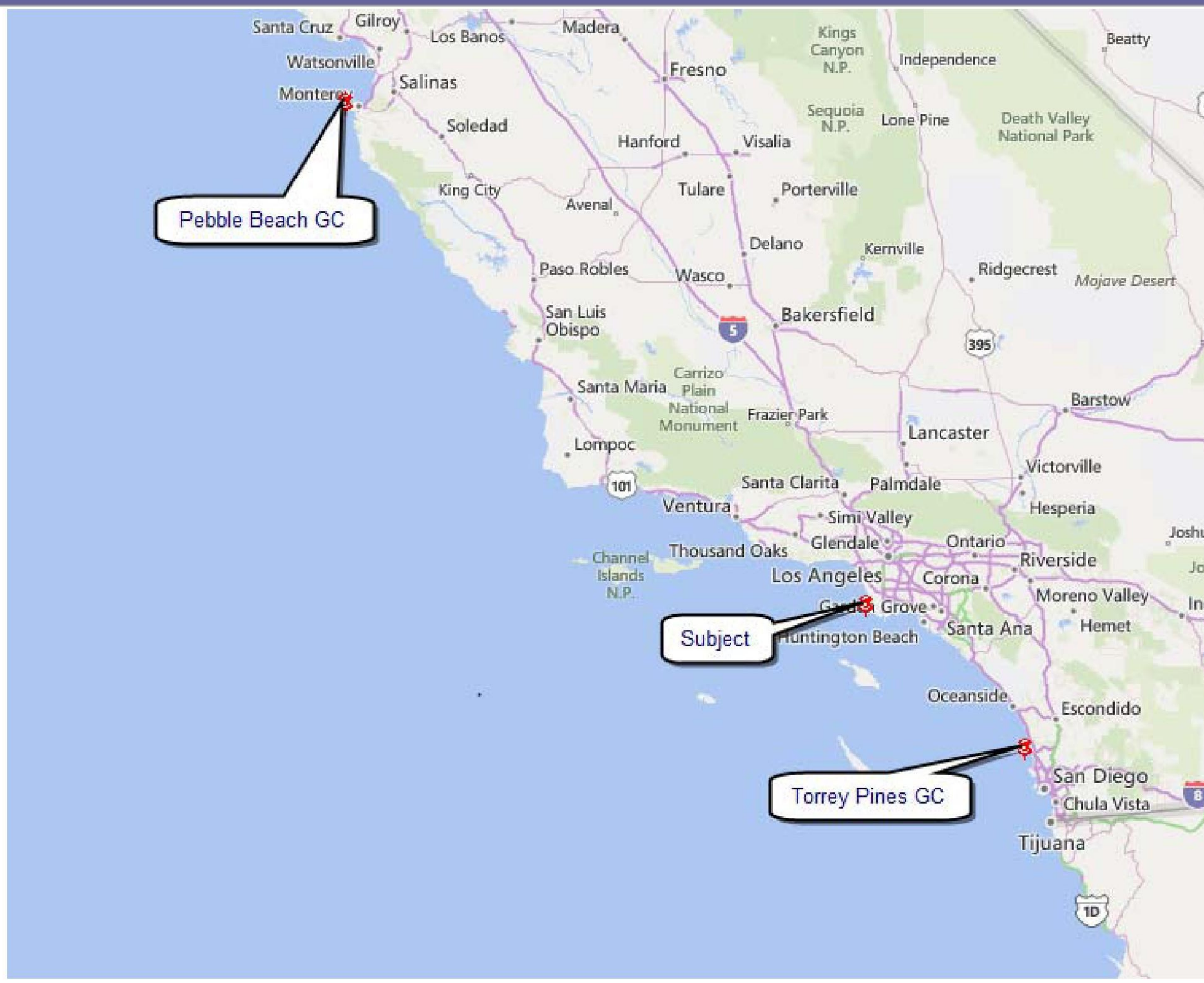
An overview of local market conditions is a necessary aspect of the appraisal process. The market analysis forms a basis for assessing market area boundaries, supply and demand factors, and indications of financial feasibility. Trump National Golf Club Los Angeles is located in Palos Verdes, which is part of the greater Los Angeles metropolitan area. The Los Angeles area has a significant number of golf courses, including several private and daily fee courses that are ranked by major golf publications as some of the best in the state and U.S.

To determine the golf facilities which were most competitive with the subject, we selected comparable daily fee golf courses in the Los Angeles market. We have considered several factors in selecting the subject's competitive set, including geographic proximity, quality of design, maintenance and pricing. To verify and support this methodology, we interviewed the general manager at Trump National Golf Club Los Angeles as well as a representative from the selected courses to determine with what courses they competed. The facilities found to be most competitive with the subject are shown on the following map and summarized on the charts on the following two pages.

COMPETITIVE GOLF COURSES			
Name:	**Trump National Golf Club Los Angeles**	**Torrey Pines Golf Course**	**Pebble Beach Golf Links**
Location	**1 Ocean Trails Drive**	**11480 North Torrey Pines Rd.**	**1700 17 Mile Drive**
City	**Rancho Palos Verde, CA**	**La Jolla, CA**	**Pebble Beach, CA**
Type Club	Daily-Fee	Municipal	Resort
Proximity to Subject (miles):	SUBJECT	90 Miles Southeast	275 Miles Northwest
Number of Holes	18	36	18
Year Built	1999 (2006 reopening w/ 18 holes)	1957	1919
Architect	Pete Dye and Donald J. Trump Signature Design	William P. Bell / William F. Bell ; Rees Jones (2001 south course remodel)	Jack Neville & Douglas Grant (original)
Yardage (rear tees)	7,242	6,915 (N) ; 7,628 (S)	7,040
Par	71	72 (both)	72
Course/Slope	146	130 (N) ; 143 (S)	145
Rating	75.0	73.2 (N) ; 78.1 (S)	75.5
Rounds (estimated)	28,428 (2012 annualized)	100,000 (North) ; 72,000 (South)	N/A
Quoted Green Fees		(Non-Resident of City of San Diego rates)	
Weekday	$275.00	$100 (N) ; $183 (S)	$495.00
Weekend	$275.00	$125 (N) ; $229 (S)	$495.00
Other	$215 (Mid-day); $160 (Afternoon); $80 (Sunset)		
Cart Fees	Included	Included	(included with resort ; +cart for daily fee play)

CUSHMAN & WAKEFIELD® VALUATION & ADVISORY

COMPETITIVE PROPERTIES MAP



EXISTING COMPETITION

Each of the competitive properties is located in the north Los Angeles area and is a daily fee golf club that offers some form of annual membership. They differ from private clubs that would cater to a more exclusive clientele that may be more socially oriented. A significant number of daily fee courses exist in the greater Los Angeles area. For several years the Los Angeles area was served by only a handful of private clubs and the four municipal courses in Los Angeles. However, beginning in the early 1990's, several courses were constructed, both daily fee and private. We have chosen to analyze the three closest competitors in terms of location, quality and pricing. The courses and the subject are relatively similar in design, quality and level of maintenance. All are part of a subdivision or master planned community, have somewhat rolling topography, relatively large and extensive green complexes and four to five sets of elevated tee boxes. The competitors bracket the subject.

The subject is very unique, being directly located on the Pacific coastline, allowing dramatic views of the ocean and Catalina. TNGC is well established as a good golf course in an excellent location, and stabilized in its golf operations. The quoted green fees for TNGC have been accepted by the market. We offer the competitive property information for Pebble Beach Golf Links and Torrey Pines as support for Trump National's pricing schedule. It is our opinion that adequate demand exists for TNGC at the current pricing schedule.

It should be noted that California has been going through a severe drought over the last several years and rights to water for irrigation has become a central issue to golf course management. It appears that the subject and each of the competitive properties have suffered to varying degrees from the excessive heat and lack of rain at various times in the past. As stated, the subject and each of the comparables are part of master planned residential communities and have secure irrigation water sources or treated effluent available for irrigation, which somewhat mitigates the lack of rain. Any continuation of the drought may have a further negative impact on course conditions, although rainfall in recent months has left the subject and most competitors in good condition. Suffice to say that all golf courses in the market will be challenged to some degree by the lack of rain and the extensive heat that can occur in California and the on-going water demands. Our analysis considers the subject's current competitive position and condition, and the anticipation that it will have access to irrigation water as it has in the past.

NEW COMPETITION AND CHANGES TO SUPPLY

In order to determine the potential for any new competition for the subject property, we conducted a search for any golf courses that were proposed, under construction or planned within Los Angeles County and neighboring counties. We searched the data base of National Golf Foundation, "NGF", to determine the status of any new construction. The data base did not indicate any new construction in the market. Our search and interviews revealed no new construction that would compete with TNGC. Further, it is very unlikely that coastal California property will be developed with a golf course in the future due to environmental and financial considerations.

At this time, it appears that construction of a stand-alone golf facility in this market is not economically feasible, limiting the possibility of new construction. However, new golf construction has occurred in this and other markets in conjunction with residential development. It is our opinion that the potential for residential development in this market is moderate given the expected continued growth in Los Angeles. The potential for new golf construction, while possible, remains improbable given the recent history of golf and club performance.

SUBJECT POSITION

Trump National is being marketed as a high end daily fee golf course with a membership component, also known as a semi-private course. Among the competitive set, the subject ranks in the middle of the range in terms of pricing, course quality and facility quality. The criteria for this generally relates to course quality conditioning and clubhouse appeal. There is generally a connection between the overall quality of the facility, pricing and the demand for public play. Once a facility needs capital improvement, it needs to be addressed or declines in play will occur. The golf course and clubhouse improvements are appealing and in good condition, and considered in the middle of the competitive set. The subject is bracketed by the competitive set in terms of golf rates, and just below the tight range in rounds played at roughly 26,700 in 2014. The subject's maintenance level appeared to be in the middle of the competitive set, and the subject's clubhouse facilities were considered similar to most of the competitors. Overall, the subject's rates appear justified in the middle of the competitive set.

CONCLUSIONS

Primary demand generators for the subject consist of the population base of Palos Verdes and Long Beach and more specifically the large population base of the greater Los Angeles and surrounding development. The subject's quality and reputation draws golfers from the entire metropolitan area. The course and clubhouse facilities are physically similar with respect to the golf course competition. The daily fee club market in Los Angeles appears stable at this time. New competition could upset the balance although new construction is unlikely. With its good quality golf course and clubhouse amenities, we expect the subject to draw from an adequate pool of golfers in the Los Angeles area and enable the club to maintain its stable operation.

HIGHEST AND BEST USE

INTRODUCTION

The appraisers must properly develop highest and best use conclusions of a proposed property from two perspectives: 1) as if vacant, and 2) as if improved and/or improved as proposed. Highest and best use can be defined as:

> 1. Highest and Best Use - 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 profitability.
>
> 2. Highest and Best Use As Vacant - Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements.
>
> 3. Highest and Best Use As Improved - The use that should be made of a property as it exists. An existing property should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one.[1]

HIGHEST AND BEST USE AS IF VACANT

LEGALLY PERMISSIBLE

The subject development is zoned RS-1 RPD (Residential Planned Development), OH (Open Space Hazard), and OR (Open Space Recreational) in the city of Rancho Palos Verdes. Though the RS-1 designation is for single family residential with one acre or greater lot sizes, the entire development was processed under the RPD designation which allowed for the clustering of lots while not exceeding the overall development density of one unit per acre. The Open Space Hazard (OH) zoning designation applies mainly to irregular terrain open space within the development, along the coast, and southeast of Phase 1 property. The Open Space Recreational (OR) zoning designation applies to portions of the property at the southeast municipal boundary.

Entitlements were processed companion to a *Development Agreement, dated November 20, 1997*, between Zuckerman Properties and Palos Verdes Land Holdings Company (previous developer) and the City of Rancho Palos Verdes. The agreement, with subsequent amendments, approved development of the golf course, clubhouse, 75 single family residential lots and 4 units of affordable “work force” housing. The conditions of approval for the RPD were approved via *Conditional Use Permit No. 162 (Resolution No. 2004-28)*

Phase 1 of the development, off La Rotunda Drive, benefits from Final Tract Map 50667 recorded in 1999. Phase 2 of the development, off Trump National Drive, benefits from Vesting Tentative Tract Map (VTM) 50666. The Tentative Map and Development Agreement are current and on extension to September 21, 2016, per *Resolution Nos. 2014-60-62, dated September 16, 2014*. The Donor has been granted several 2-year extensions in the past and is anticipated to continue as such if required pursuant to Sections 15162 and 15164 of the State CEQA Guidelines, approval of Addendum 46 to the previously certified Environmental Impact Report (EIR).

[1] Appraisal Institute, *The Dictionary of Real Estate Appraisal,* (AI, Chicago, IL: 2002), p. 135-136.

Development of the *Before Condition Property*, if vacant, would be defined by current land use approvals which represent the only legally permissible use. The Trump National Estates portion of the Entire Contiguous Parcel could be developed with 44 residential lots. The Easement Parcel could be developed with 16 residential lots or a driving range and putting green. The Trump National Golf Club could be developed with the golf course, clubhouse, storage/work structures and other golf club-related improvements. Any other amendments or changes to the land plan, number of lots, golf course, etc. are not permitted under current land use approvals.

Development of the *After Condition Property,* if vacant, would be similar to the Before Condition Property, with the exception of the Easement Parcel. Because the deed of Conservation Easement extinguished, among other rights, any residential development rights over the Easement Parcel. Any use of the Easement Parcel would be restricted to those allowed in the Conservation Easement.

PHYSICALLY POSSIBLE

The property is physically suitable for those uses under current zoning and entitlements. No major physical or environmental obstacles were presented which would deter development and/or preservation. The case is further supported in that there are existing residential and golf course improvements already constructed in the development.

FINANCIALLY FEASIBLE

Having defined what is legally permissible and physically possible, the next consideration was financial feasibility. For the *Before Condition Property*, residential development and construction in Trump National Estates is financially feasible. As demonstrated in the Subdivision Development Approach cash flows to follow, the sell-off of finished lots and/or product over time is financially feasible. Anticipated retail revenues, less development costs and profit, result in positive land value, thus indicating feasibility. The subject's profit/return potential falls within an acceptable market range. Any substantial changes in market conditions (i.e. pricing, costs, absorption, etc.), would obviously affect feasibility.

Two development scenarios were considered for Trump National Estates. Scenario 1 reflects a bulk purchase of the entire property, a developer proceeding with remaining land development and selling off residential lots to individual buyers and/or guest builders. Scenario 2 reflects a bulk purchase of the entire property, a developer-builder proceeding with remaining land development and home construction, and then selling homes to individual homebuyers. The results of the home construction scenario indicated a higher land value and thus deemed the more feasible alternative.

The Easement Parcel in the Before Condition Property allows for 16 residential lots and/or driving range and putting green. As demonstrated in the following valuation sections of this report, the Easement Parcel value as residential is substantially higher than as a driving range/putting green. Hence, residential was deemed the most financially feasible use of the Easement Parcel in the Before Condition Property.

On a stand-alone basis, development of the Trump National Golf Club would not be feasible. The cost to design, engineer, and construct the golf course, clubhouse, and other golf-related structures would be substantially higher than the value of the completed golf club. However, this is not unusual in development property as the value benefit is primarily attributable to surrounding residential (i.e. views, access, potential membership, etc.) and in this case, the public. Entitlements were processed with both residential and a public-play golf club. It is possible that if vacant today, a developer would pursue a land plan that would include significant open space, potential public park space, etc. to the benefit of the companion residential lots, rather than a golf club with 18-hole golf course. It is speculative as to whether such a development proposal would be approved by the City. Under current entitlements, the golf club is the only legally permissible use of the Trump National Golf Club property. Hence, it is also the only feasible use if considered with adjoining Entire Contiguous Parcel property.

With regard to feasibility, development of the *After Condition Property,* if vacant, is similar to the Before Condition Property, with the exception of the Easement Parcel. Because the deed of Conservation Easement extinguished, among other rights, any residential development rights over the Easement Parcel. Any use of the Easement Parcel would be restricted to those allowed in the Conservation Easement. Preservation of the Easement Parcel, per the terms of the Conservation Easement, would represent the only feasible use of the Easement Parcel in the After Condition Property.

Of those uses allowed, a driving range and putting green was deemed the most feasible as it produces quantifiable income and is the only positive economic use. Although there may be some potential revenue streams generated by potential public recreational use, it is unlikely they would approach the inherent value as a driving range and putting green. Further, the driving range and putting green are to the benefit of the larger Trump National Golf Course and Trump National Estates.

MAXIMALLY PRODUCTIVE

Although the highest and best use of Trump National Estates, Trump National Golf Club, and the Easement Parcel can be analyzed separately, they must be considered as a whole for valuation. Accordingly, development of residential product, companion to other non-residential elements (i.e. golf club, affordable housing, open space, etc.) represents the maximally productive use of the *Before Condition Property* as if vacant. For the *After Condition Property*, development similar to the Before Condition Property, with the exception of preservation of the Easement Parcel per the Conservation Easement, would be the maximally productive use. In both cases, before and after, the maximally productive use would include those requirements stipulated by entitlements, such as the four affordable units, designated open space, easements, etc.

HIGHEST AND BEST USE AS IMPROVED

The *Before and After Condition Property* is improved with finished and graded residential lots, the golf club, and the four affordable housing units. There are no residential improvements on any of the residential lots. The existing clubhouse facility, golf operations structures, and affordable housing units contribute to the overall value of the property as if vacant. The golf club is producing a positive cash flow and has positive value. None of the existing structures warrant demolition or substantial renovation to meet the criteria for highest and best use. Hence, the current improvements meet the criteria of highest and best use as improved. In the before condition, reconfiguration and development of the Easement Parcel driving range and putting green into 16 residential lots is warranted. In the after condition, retaining the Easement Parcel driving range and putting green is warranted.

RESIDENTIAL VALUATION (BEFORE CONDITION)

Two approaches were considered in valuation of the residential development property (excluding the golf course) in the before condition (Note: The golf course was valued separately). First considered was the sales comparison approach. Due to the unique coastal orientation of Trump National Estates, no recent competitive “bulk” land sales were found that would provide a reliable indicator of value for the subject. Such rare transactions vary significantly in product mix, density, development costs, specific location, market conditions, and other factors. It is difficult to analyze the data, if available, in an appropriate and reliable way (i.e. adjustments) that would render a meaningful value for the subject. Thus, a sales comparison approach to the larger property as a whole was not utilized. In acquiring feasible development property, developers and builders will nearly always rely upon land residual methodology. Even so, discussion relative to one closed and one pending Southern California coastally oriented land transaction were included at the end of this section of the report to substantiate the relevance of the value conclusions via the subdivision development method to land value.

As discussed in the Scope of Work, the Subdivision Development Approach (a form of Income Approach) was deemed the appropriate method of valuation. The Subdivision Development Approach is used by developers and builders to determine the price they can afford to pay for land assuming certain costs, gross sales, and return considerations. The yield model (discounted cash flow) of the Subdivision Development Approach was applied. Revenues and costs were incorporated into a discounted cash flow over a projected time period and a discount applied for risk, return, and development duration.

Two development scenarios were considered. Scenario 1 reflects a bulk purchase of the entire property, a developer proceeding with remaining land development and selling off residential lots to individual buyers and/or guest builders. Scenario 2 reflects a bulk purchase of the entire property, a developer-builder proceeding with remaining land development and home construction, and then selling homes to individual homebuyers.

SCENARIO 1 (LOT SALES PROGRAM)

Scenario 1 involved estimating the retail market value of the 60 subject lots in a finished to-be-delivered condition. As previously discussed, the subject consists of 21 finished lots in Phase 1 (Tract 50667) and 39 graded or undeveloped lots in Phase 2 (Tract 50666).

TRUMP NATIONAL ESTATES LOT SALES DATA

Phase 1 lot sales commenced in 2007 with 2 sales. Sales were then delayed through the housing downturn. There have been 8 lot sales since 2012 and 10 closings to date. There are an additional 8 lot purchase contracts or pending contracts.

In 2007, the Donor sold Lots 17 and 18 on Cape Point Drive for $4,000,000 and $4,250,000 respectively. These two lots, acquired at the peak of the housing market, have excellent view and location at the end of the Cape Point Drive cul-de-sac. As these sales are dated, they were given less emphasis in pricing the subject lots. Lot 18 subsequently resold in 2012 for $2,100,000, substantially lower than the $4,250,000 price recorded in 2007.

A local custom homebuilder, Michael Mulligan, has been purchasing lots for construction of custom homes for sale. Mr. Mulligan lives in the custom home he built on Lot 25. He also retains the home on Lot 24. In August 2012, Mulligan purchased Lots 24 and 25 for a combined price of $2,300,000. Lot 24 included partial construction of a larger custom home. The Donor reports that a discount was given to Mulligan to entice him to finish the construction to avoid having dormant partial construction at the project entrance. As this sale is more dated and the purchase included partial construction, it was given less emphasis in pricing the subject lots.

Lots 26-31 represent more recent Mulligan purchases (or contracts) in 2013-14. The sales range from $1,400,000 to $1,450,000. The Donor also sold Lot 32 to another buyer for $1,550,000 in September 2014. Mulligan is under contract to acquire Lots 30 and 31 for $1,400,000 each. These lots on Emerald View Drive have inferior views and location compared to those on the Isthmus View Drive and Cape Point Drive cul-de-sacs.

Mulligan also has several pending contracts not yet executed. Pricing for Lots 12 and 15 (Isthmus View Drive) are reported at $1,500,000 each. Pricing for Lots 16, 21, and 22 (Cape Point Drive) are reported at $1,800,000, $2,000,000, and $1,575,000 respectively. No price was reported for Lot 11.

The Trump National Estates lot sales data are labeled “green” in the parcel map exhibits that follow.

RANCHO PALOS VERDES COASTAL LOT SALES DATA

Lot sales and/or listings were also researched from the local Rancho Palos Verdes market. Nine comparables were deemed competitive. Comparable 1 is a hillside lot on the north side of Palos Verdes Drive. The property has an ocean view over Trump National Estates to the south. This is a listing at $1,599,000 and there are substantial costs associated with development due to steep terrain.

Comparables 2 and 3 are located in the Ocean Front Estates development. Ocean Front Estates is largely built out with very few remaining vacant lots scattered throughout the project. Comparable 2, which sold for $1,500,000 in June 2013, has limited view amenities. Comparable 3, which sold for $2,350,000 in April 2012, has very good ocean view amenities. The difference in sale price between these two sales is mainly indicative of an ocean view premium.

Comparables 4-7 represent four lots on the west side of Nantaskett Drive and east of the Terrenea Resort and 9-hole golf course. A large apartment complex is situated directly across the street to the east. Comparables 4 and 5 are current listings for $2,288,888 and $2,000,000 respectively. These are the northern most lots and furthest from the coast to the south. Comparables 6 and 7 sold in 2013 for $1,100,000 and $2,000,000 respectively, the difference primarily attributable to view as Comp 7 is the southern-most lot with a superior ocean view corridor.

Comparables 8 and 9 are located in the prestigious Lunata Pointe development off Marguerite Drive. Comparable 8, improved with an older single family home, is listed for $4,190,000. This is an interior lot with partially obstructed ocean view. Comparable 9, which sold for $4,500,000 in April 2014, is a larger estate-sized property encompassing five contiguous lots and excellent ocean view.

THE HEADLANDS (DANA POINT) LOT SALES DATA

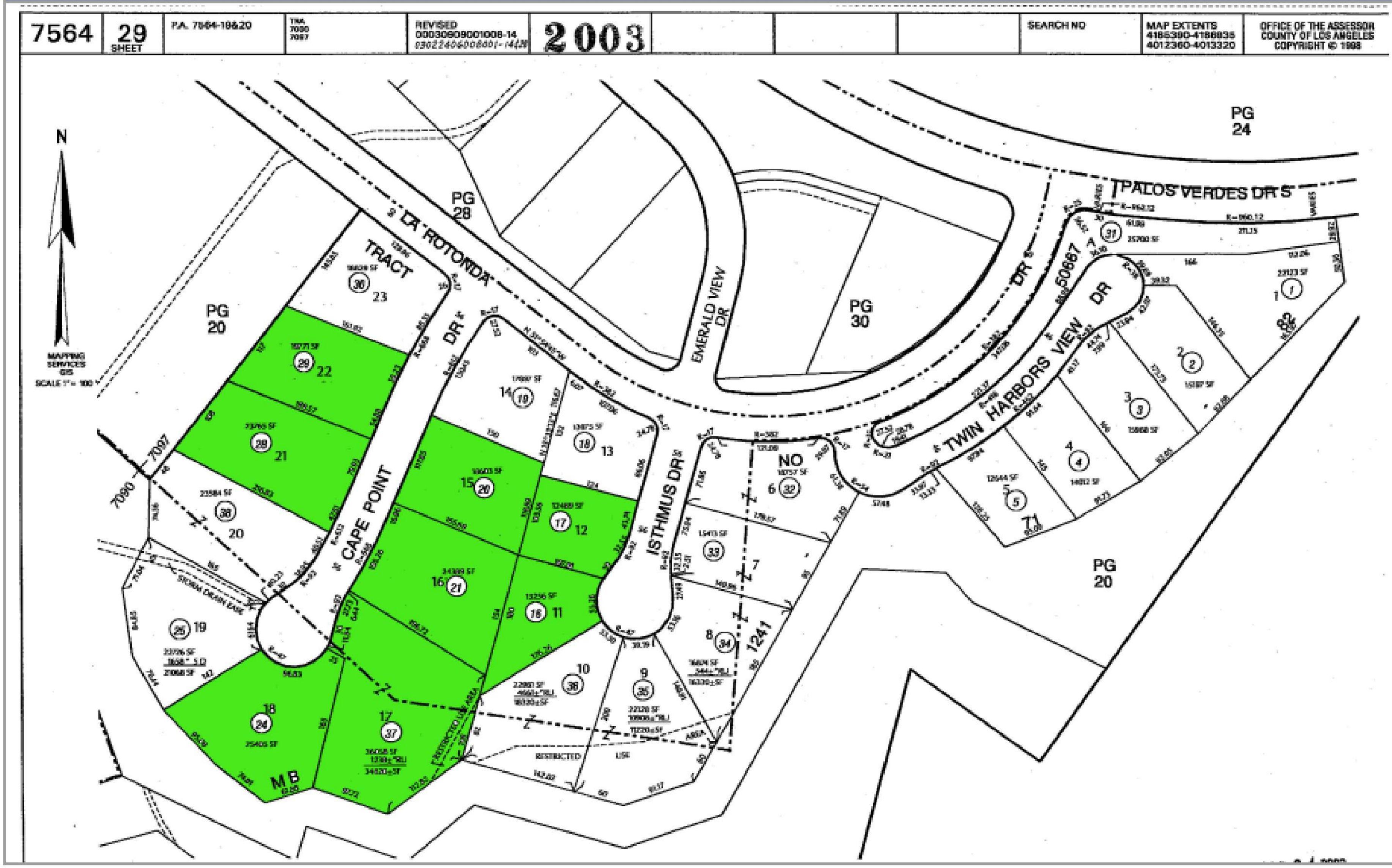
The Headlands is a coastally-oriented private gate-guarded custom lot and home development in Dana Point. Although situated well south of the subject in Orange County, it is the only larger actively selling development with direct coast and beach access in Southern California. Per public records, lots sales over the past three years have ranged from around $1.6 to nearly $12 million. The Strand South lots are most indicative of pricing for Trump National Estates. Although the lots are smaller, about 10,000 to 20,000 square feet, they are tiered to maximize ocean views. The Strand South lots have been selling in the range of $1.6 to $4 million. The Strand North benefits from direct beach access and those lots along Strand Beach Drive front the ocean. Pricing has ranged from about $4.3 to $12 million.

TRUMP NATIONAL ESTATES LOT SALES									
Lot No.	Address	Sale Price	Date	Lot Size (sf)	PSF	Seller	Buyer	Ocean View	Rating
11	32031 Isthmus View Drive	tbd	Pending Contract	13,256	---	VHPS LLC	Mulligan	Yes	Good
12	32019 Isthmus View Drive	$1,500,000	Pending Contract	12,489	$120	VHPS LLC	Mulligan	Yes	Good
15	32020 Cape Point Drive	$1,500,000	Pending Contract	18,603	$81	VHPS LLC	Mulligan	Yes	Good
16	32030 Cape Point Drive	$1,800,000	Pending Contract	24,389	$74	VHPS LLC	Mulligan	Yes	Good
17	32040 Cape Point Drive	$4,000,000	Sep-07	34,820	$115	VHPS LLC	AA Homes	Yes	Excellent
18	32050 Cape Point Drive	$4,250,000	Jun-07	25,405	$167	VHPS LLC	SoCal Lot	Yes	Excellent
18	32050 Cape Point Drive	$2,100,000	Apr-12	25,405	$83	SoCal Lot	Yang	Yes	Excellent
21	32025 Cape Point Drive	$2,000,000	Pending Contract	23,765	$84	VHPS LLC	Mulligan	Yes	Very Good
22	32015 Cape Point Drive	$1,575,000	Pending Contract	19,771	$80	VHPS LLC	Mulligan	Yes	Good
24(1)	31986 Emerald View Drive	$1,800,000	Aug-12	28,648	$63	VHPS LLC	Mulligan	Yes	Fair
25(2)	31990 Emerald View Drive	$500,000	Aug-12	28,648	$17	VHPS LLC	Mulligan	Yes	Average
26	31991 Emerald View Drive	$1,400,000	Jul-13	21,875	$64	VHPS LLC	Mulligan	Yes	Average
27	31983 Emerald View Drive	$1,400,000	Jul-13	23,777	$59	VHPS LLC	Mulligan	Yes	Average
28	31975 Emerald View Drive	$1,400,000	Sep-14	21,149	$66	VHPS LLC	Accetta(3)	Yes	Average
29	31967 Emerald View Drive	$1,400,000	Sep-14	17,120	$82	VHPS LLC	Mulligan	Yes	Average
30	31959 Emerald View Drive	$1,450,000	Contract (Dec-14)	19,443	$75	VHPS LLC	Mulligan	Yes	Average
31	31937 Emerald View Drive	$1,450,000	Contract (Jan-15)	20,318	$71	VHPS LLC	Mulligan	Yes	Average
32	31933 Emerald View Drive	$1,550,000	Sep-14	21,646	$72	VHPS LLC	Hu	Yes	Average
Minimum		**$500,000**	**Jun-07**	**12,489**	**$17**				
Average		**$1,827,941**	**May-12**	**22,252**	**$81**				
Maximum		**$4,250,000**	**Sep-14**	**34,820**	**$167**				

(1)Combined purchase of Lots 24 and 25. Lot 24 included partial construction.

(2)Mulligan building custom home for Accetta (Mulligan had original lot purchase contract).

TRUMP NATIONAL ESTATES LOT SALES MAP



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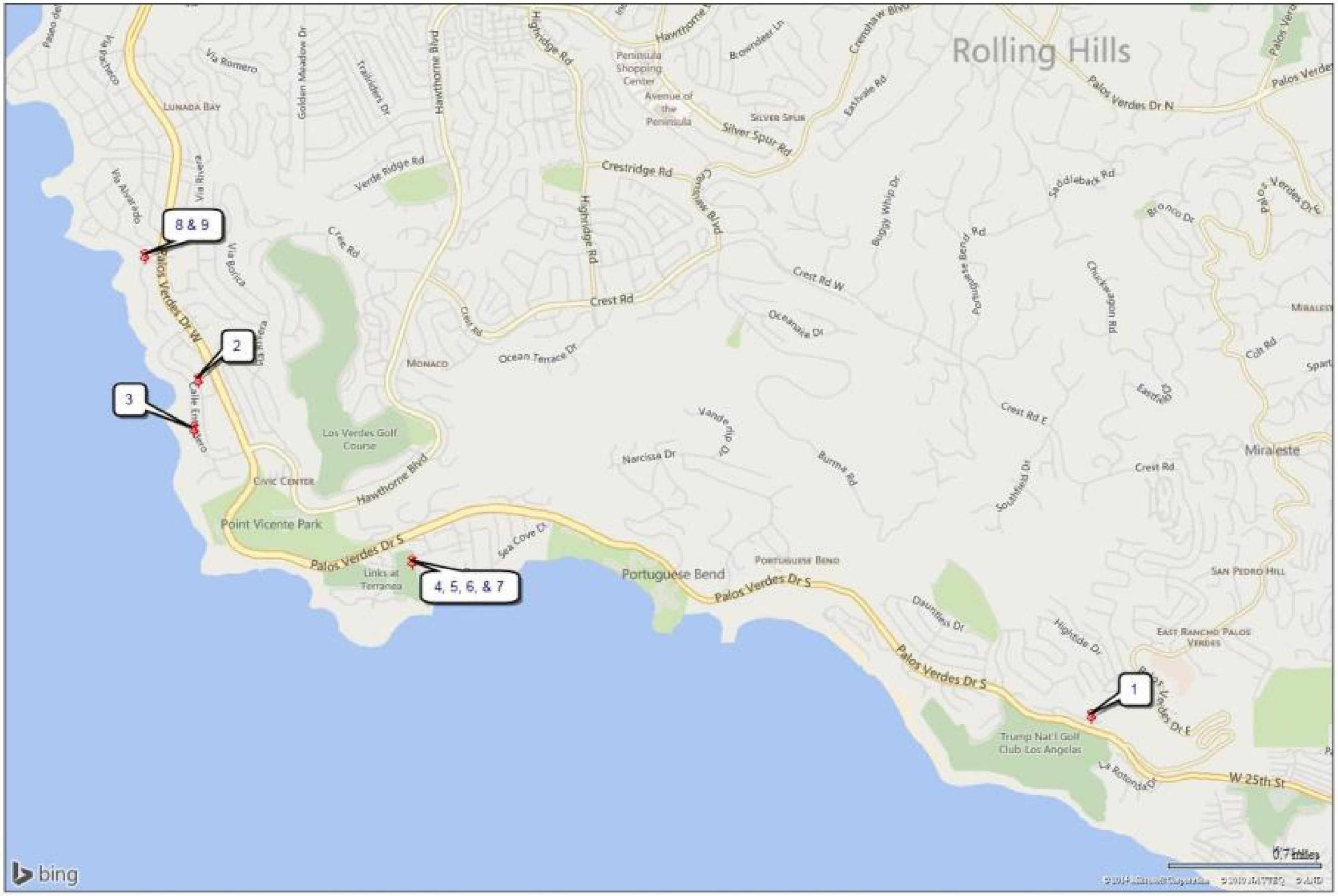
TRUMP NATIONAL ESTATES LOT SALES MAP

RANCHO PALOS VERDES LOT SALES						
Comp No.	Address	Sale Price	Date	Lot Size (sf)	PSF	View
1	3315 Palo Vista Drive	$1,599,000	Listing	47,045	$34	Very Good
2	28 Via Del Cielo	$1,500,000	Jun-13	23,358	$64	Fair
3	59 Via Del Cielo	$2,350,000	Apr-12	26,811	$88	Very Good
4	11 Nantasket	$2,288,888	Listing	14,402	$159	Very Good
5	21 Nantasket	$2,000,000	Listing	15,650	$128	Average
6	31 Nantasket	$1,100,000	Jun-13	15,567	$71	Average
7	41 Nantaskett	$2,000,000	May-13	17,704	$113	Average
8	10 Marguerite Drive	$4,190,000	Listing	46,436	$90	Average
9	11 Marguerite Drive	$4,500,000	Aug-14	147,420	$31	Excellent
Minimum		**$1,100,000**	**Apr-12**	**14,402**	**$31**	
Average		**$2,391,988**	**May-13**	**39,377**	**$86**	
Maximum		**$4,500,000**	**Aug-14**	**147,420**	**$159**	

RANCHO PALOS VERDES LOT SALES MAP



THE HEADLANDS - DANA POINT CALIFORNIA[1]						
Address		Headlands	Sale Price	Date	Lot Size (sf)	PSF
1	Coral Cove Way	Strand South	$1,642,500	11/16/12	13,447	$122
9	Seabreeze	Strand South	$1,657,500	05/02/13	12,018	$138
5	Seabreeze	Strand South	$1,732,500	05/22/13	11,269	$154
7	Seabreeze	Strand South	$1,755,000	01/22/13	11,609	$151
37	Shoreline Drive	Strand South	$2,075,000	10/22/13	21,109	$98
1	Seabreeze	Strand South	$2,117,500	10/22/13	15,908	$133
1	Pacific Ridge	Strand South	$2,250,000	10/18/13	17,973	$125
35	Shoreline Drive	Strand South	$2,300,000	10/22/13	16,048	$143
33	Shoreline Drive	Strand South	$2,500,000	10/18/13	11,517	$217
3	Seabreeze	Strand South	$2,517,500	06/28/13	14,105	$178
27	Shoreline Drive	Strand South	$2,600,000	03/19/14	11,953	$218
15	Seabreeze	Strand South	$2,700,000	06/14/13	12,240	$221
11	Pacific Ridge	Strand South	$2,870,000	09/16/13	11,770	$244
15	Pacific Ridge	Strand South	$2,975,000	09/20/13	12,018	$248
17	Pacific Ridge	Strand South	$3,200,000	03/26/14	14,558	$220
23	Seabreeze	Strand South	$3,467,500	05/02/13	19,624	$177
21	Coral Cove Way	Strand South	$3,505,500	05/28/13	16,792	$209
29	Shoreline Drive	Strand South	$4,000,000	10/18/13	11,604	$345
45	Beach View	Strand North	$4,500,000	03/15/13	9,984	$451
31	Shoreline Drive	Strand South	$4,780,000	10/18/13	11,570	$413
27	Beach View	Strand North	$4,882,000	02/13/13	19,632	$249
9	Ocean Front	Strand North	$5,152,500	05/01/13	22,342	$231
29	Beach View	Strand North	$5,152,500	05/01/13	20,360	$253
9	Beach View	Strand North	$5,300,000	11/15/13	8,756	$605
25	Beach View	Strand North	$5,581,500	12/16/13	11,744	$475
3	Coral Cove Way	Strand South	$6,100,000	09/12/14	12,902	$473
11	White Water	Strand North	$7,425,000	06/14/13	9,466	$784
7	Strand Beach	Strand North	$8,600,000	10/05/12	9,322	$923
5	Strand Beach	Strand North	$8,600,000	02/15/13	9,222	$933
43	Strand Beach	Strand North	$8,600,000	07/22/13	10,250	$839
9	Strand Beach	Strand North	$8,775,000	10/03/12	9,243	$949
19	Strand Beach	Strand North	$11,000,000	06/10/13	9,649	$1,140
11	Strand Beach	Strand North	$11,850,000	12/12/13	9,653	$1,228
Minimum			**$1,642,500**	**10/03/12**	**8,756**	**$98**
Maximum			**$11,850,000**	**9/12/14**	**22,342**	**$1,228**

[1]Per Public Records

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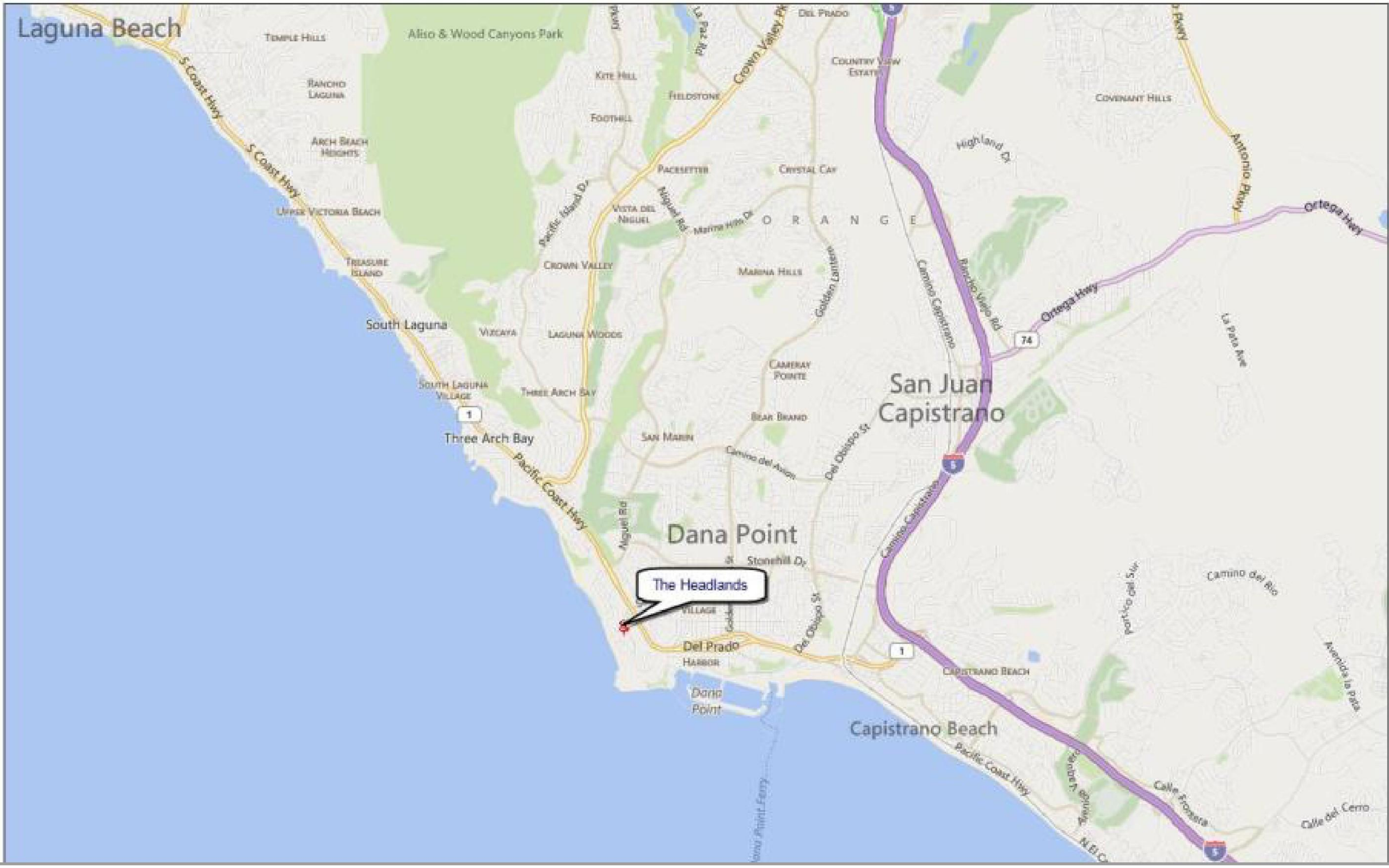
THE HEADLANDS LOCATION MAP



LOT PRICE ADJUSTMENTS & COMPARISONS

The comparable transactions were adjusted to reflect differences with the subject in regard to various categories that affect market value. The appraiser first considered quantitative adjustments for property rights conveyed, financing terms, and conditions of sale (motivation). Qualitative considerations were then considered market conditions (date of sale), location, and physical characteristics.

Property Rights

This adjustment accounts for differences in the interest sold (i.e. fee, leased-fee, leasehold). Partial interests are typically less valuable than fee interest, because fee interests are whole (not fractional). All of the comparables are equivalent to the subject in property right conveyed (fee simple). Hence, no adjustments were applied for property rights.

Financing

This adjustment is made for properties, which sold with financing terms that are not considered to be cash equivalent. A sale which received advantageous financing may have a higher price than conventional market-based financing. The transactions were cash or the equivalent to the buyer. None were reported to have favorable financing. Hence, no adjustments were applied.

Conditions of Sale

Conditions of sale adjustments are used to account for differences in buyer and seller motivations. For example, if a seller must quickly dispose of a property, its price may be lower than if the seller was typically motivated. It was noted that the Trump National Estates Lots 24 and 25 were a combined purchase in 2012 and there was a discount reported due to partial construction (no contributory value provided) on Lot 24. No specific adjustment was applied but these data were not deemed reliable indicators of current value for the subject lots. Further, the Donor reports that a slight discount is given to Mulligan as he typically buys two lots at a time. The remaining comparables were deemed equivalent to the subject in conditions of sale (typically motivated). Hence, no adjustments were applied.

Market Conditions

This adjustment category considers the differences in market conditions between the time of the comparable sale and the date of value. Home and lot prices have been increasing over the past three years, especially from late 2012 through 2013. There has been some moderation as of late but pricing studies indicate appreciation continued through 2014.

Those sales which occurred prior to 2012 were not practical indicators of December 2014 value for the subject. Those sales that occurred in 2012 were not adjusted but were deemed conservative for pricing lots in December 2014. Likewise, the 2013 sales were deemed slightly conservative while the 2014 sales most indicative of current market conditions.

Location & Physical Characteristics

Final consideration was given to location and physical characteristics such as premium potential, topography, lot size, etc. Certainly the most recent lot sales (and pending contracts) from Trump National Estates are the most comparable in terms of location and physical characteristics. The most recent Phase 1 (Tract 50667) transactions are in the range of $1,400,000 to $2,000,000. Lot 18, at $2,100,000, sold in 2012 and is indicative of an excellent view lot but inferior in market conditions. Phase 1 (Tract 50667) is inferior to the proposed subject lots in Phase 2 (Tract 50666) as Phase 1 is further south just north of San Pedro, a less affluent community and Phase 2 is further north, adjacent the Trump National Estates Golf Course clubhouse and also closer to community amenities and development in Rancho Palos Verdes proper.

The other Rancho Palos Verdes coastal lot sales varied in location. Comp 1 was rated inferior due to its location north of Rancho Palos Verdes Drive. The Ocean Front Estates Comparables, 2 and 3, were deemed fairly similar in location to the subject's Phase 2 lots but superior to Phase 1. The four Nantaskett lots benefit from their central location in coastal Rancho Palos Verdes but are directly across the street from an apartment complex. They were rated inferior in overall location. Finally, the two Lunata Pointe comparables were deemed superior in location as this development includes some of the highest priced homes in Rancho Palos Verdes.

The Headlands Dana Point location was rated similar in overall location as it is a coastally-oriented Orange County development. However, it is superior in specific location due to its immediate proximity and access to the coast.

Views and lot sizes varied significantly within the data set. The majority of comparables were fairly similar to the subject in lot sizes, the exception being Comparable 9 (11 Marguerite Drive) in Lunata Pointe, and The Headlands, which offer lots typically ranging from around 10,000 to 20,000 square feet.

One other consideration is overall tax rates and association dues. The subject lots do not have additional tax burden due to special assessments but do have association fees. It is difficult to separate overall tax rates and association fees from location in analytical comparisons. Given the foregoing, the comparables were rated overall similar with any variances in tax rates and fees offsetting with amenities, common areas, open space, etc.

TRUMP NATIONAL ESTATES LOT PRICING & SALE REVENUES

Having researched and analyzed the competitive data set, the subject lots were priced accordingly. The market data supports lot pricing in the range of $1,300,000 to $3,000,000. The lower end of pricing is set by recent lot sales in Trump National Estates along Emerald View Drive. As previously noted, these lots are deemed some of the least desirable in development. The higher end of the pricing is set by the Rancho Palos Verdes lot sales, primarily No. 9, 11 Marguerite Drive. In pricing the subject lots, particular consideration was given to lot size as CC&Rs limit home construction square footage to a maximum of 30 percent of lot area. This has a significant effect on lot pricing as smaller lots are limited to smaller homes and pricing and vice versa. View premiums, ocean and golf course views in particular, also varied significantly between lots.

RECONCILED LOT SALE REVENUES SUMMARY

			Lot Pricing			
Phase	Tract No.	No. Lots	Low	Average	High	Total
1	50667	21	$1,300,000	$1,636,905	$2,300,000	$34,375,000
2	50666	39	$1,500,000	$2,329,487	$2,900,000	$90,850,000
1 & 2	50667 & 50666	60	$1,300,000	$2,087,083	$2,900,000	$125,225,000

The 21 Phase 1 lots (Tract 50667) were priced from $1,300,000 to $2,300,000, the low end of the range set by Lot 12, a 12,489 square foot lot on Isthmus Drive and the high end set by Lot 19, a 22,726 square foot lot at the terminus of the Cape Point Drive cul-de-sac and benefitting from excellent exposure and view amenities.

The 39 Phase 2 lots (Tract 50666) were priced from $1,500,000 to $2,900,000, the low end of the range set by Driving Range Lot 2, with limited view, and the high end set by Driving Range Lots 8-16, which were deemed the finest lots in Trump National Estates due to large lot sizes, Phase 2 location, and unobstructed golf course and ocean views. Phase 2 lot pricing includes a premium over Phase 1 due to its proximity to the clubhouse, golf course, and further distance from neighboring San Pedro.

The following tables detail individual lot pricing and the graphic (Pg. 87) demonstrates lot price positioning with the competitive data set. The graphic substantiates lot pricing conclusions are within a reasonable range and market supported.

PHASE 1 TRACT 50667						
Recorded Tract No.	Lot No.	Address	Lot Size (sf)	Lot Elevation	Maximum[1] Dwelling (sf)	Lot Pricing
50667	6	32008 Isthmus View Drive	18,757	n/av	5,627	$1,600,000
50667	7	32022 Isthmus View Drive	15,413	n/av	4,624	$1,500,000
50667	8	32032 Isthmus View Drive	16,874	n/av	5,062	$1,700,000
50667	9	32042 Isthmus View Drive	22,128	n/av	6,638	$2,200,000
50667	11	32031 Isthmus View Drive	13,256	n/av	3,977	$1,400,000
50667	12	32019 Isthmus View Drive	12,489	n/av	3,747	$1,300,000
50667	13	32007 Isthmus View Drive	13,975	n/av	4,193	$1,350,000
50667	14	32012 Cape Point Drive	17,897	n/av	5,369	$1,400,000
50667	15	32020 Cape Point Drive	18,603	n/av	5,581	$1,500,000
50667	16	32030 Cape Point Drive	24,389	n/av	7,317	$1,800,000
50667	19	32039 Cape Point Drive	22,726	n/av	6,818	$2,300,000
50667	20	32033 Cape Point Drive	23,584	n/av	7,075	$2,100,000
50667	21	32025 Cape Point Drive	23,765	n/av	7,130	$2,000,000
50667	22	32015 Cape Point Drive	19,771	n/av	5,931	$1,575,000
50667	23	32009 Cape Point Drive	18,829	n/av	5,649	$1,450,000
50667	30	31959 Emerald View Drive	19,443	n/av	5,833	$1,450,000
50667	31	31937 Emerald View Drive	20,318	n/av	6,095	$1,450,000
50667	33	31929 Emerald View Drive	17,533	n/av	5,260	$1,400,000
50667	34	31925 Emerald View Drive	18,872	n/av	5,662	$1,500,000
50667	35	31909 Emerald View Drive	16,594	n/av	4,978	$1,600,000
50667	36	31917 Emerald View Drive	19,705	n/av	5,912	$1,800,000
Total			**394,921**		**118,476**	**$34,375,000**
Minimum			**12,489**		**3,747**	**$1,300,000**
Average		**$87**	**18,806**	**$290**	**5,642**	**$1,636,905**
Maximum			**24,389**		**7,317**	**$2,300,000**

[1] 30 percent of lot area but not exceeding 10,000 sf (per CC&Rs).

PHASE 2 TRACT 50666 (BEFORE CONDITION)						
Tentative Tract No.	Lot No.	Address	Lot Size (sf)	Lot Elevation	Maximum (1) Dwelling (sf)	Lot Pricing
50666	1	Street B	24,352	285	7,306	$2,300,000
50666	2	Street B	23,552	275	7,066	$2,300,000
50666	3	Street B	26,207	265	7,862	$2,375,000
50666	4	Street B	28,425	255	8,528	$2,350,000
50666	5	Street B	27,902	243	8,371	$2,325,000
50666	6	Street B	20,469	237	6,141	$2,200,000
50666	7	Street B	32,842	236	9,853	$2,300,000
50666	8	Street B	42,860	236	10,000	$2,300,000
50666	9	Street B	28,040	237	8,412	$2,300,000
50666	10	Street B	25,122	243	7,537	$2,300,000
50666	11	Street B	21,260	253	6,378	$2,100,000
50666	12	Street E	28,855	267	8,657	$2,500,000
50666	13	Street E	26,402	266	7,921	$2,500,000
50666	14	Street E	17,369	264	5,211	$2,100,000
50666	15	Street E	16,660	263	4,998	$2,000,000
50666	16	Street E	16,821	262	5,046	$2,100,000
50666	17	Street E	17,664	260	5,299	$2,100,000
50666	18	Street E	16,689	253	5,007	$2,100,000
50666	19	Street E	15,000	245	4,500	$2,000,000
50666	20	Street E	15,076	243	4,523	$2,000,000
50666	21	Street E	15,193	240	4,558	$2,000,000
50666	22	Street E	15,292	240	4,588	$2,000,000
50666	23	Street E	15,661	239	4,698	$1,900,000
50666	1	Driving Range	18,311	223	5,493	$1,700,000
50666	2	Driving Range	15,396	223	4,619	$1,500,000
50666	3	Driving Range	19,923	226	5,977	$1,700,000
50666	4	Driving Range	28,056	228	8,417	$1,700,000
50666	5	Driving Range	19,260	223	5,778	$2,500,000
50666	6	Driving Range	16,787	222	5,036	$2,500,000
50666	7	Driving Range	20,429	223	6,129	$2,700,000
50666	8	Driving Range	27,210	223	8,163	$2,900,000
50666	9	Driving Range	30,215	224	9,065	$2,900,000
50666	10	Driving Range	33,110	226	9,933	$2,900,000
50666	11	Driving Range	33,106	227	9,932	$2,900,000
50666	12	Driving Range	34,863	228	10,000	$2,900,000
50666	13	Driving Range	37,400	229	10,000	$2,900,000
50666	14	Driving Range	45,111	230	10,000	$2,900,000
50666	15	Driving Range	39,546	231	10,000	$2,900,000
50666	16	Driving Range	32,853	231	9,856	$2,900,000
Total			**969,289**		**280,853**	**$90,850,000**
Minimum			**15,000**		**4,500**	**$1,500,000**
Average		**$94**	**24,854**	**$323**	**7,201**	**$2,329,487**
Maximum			**45,111**		**10,000**	**$2,900,000**

(1) 30 percent of lot area but not exceeding 10,000 sf (per CC&Rs).

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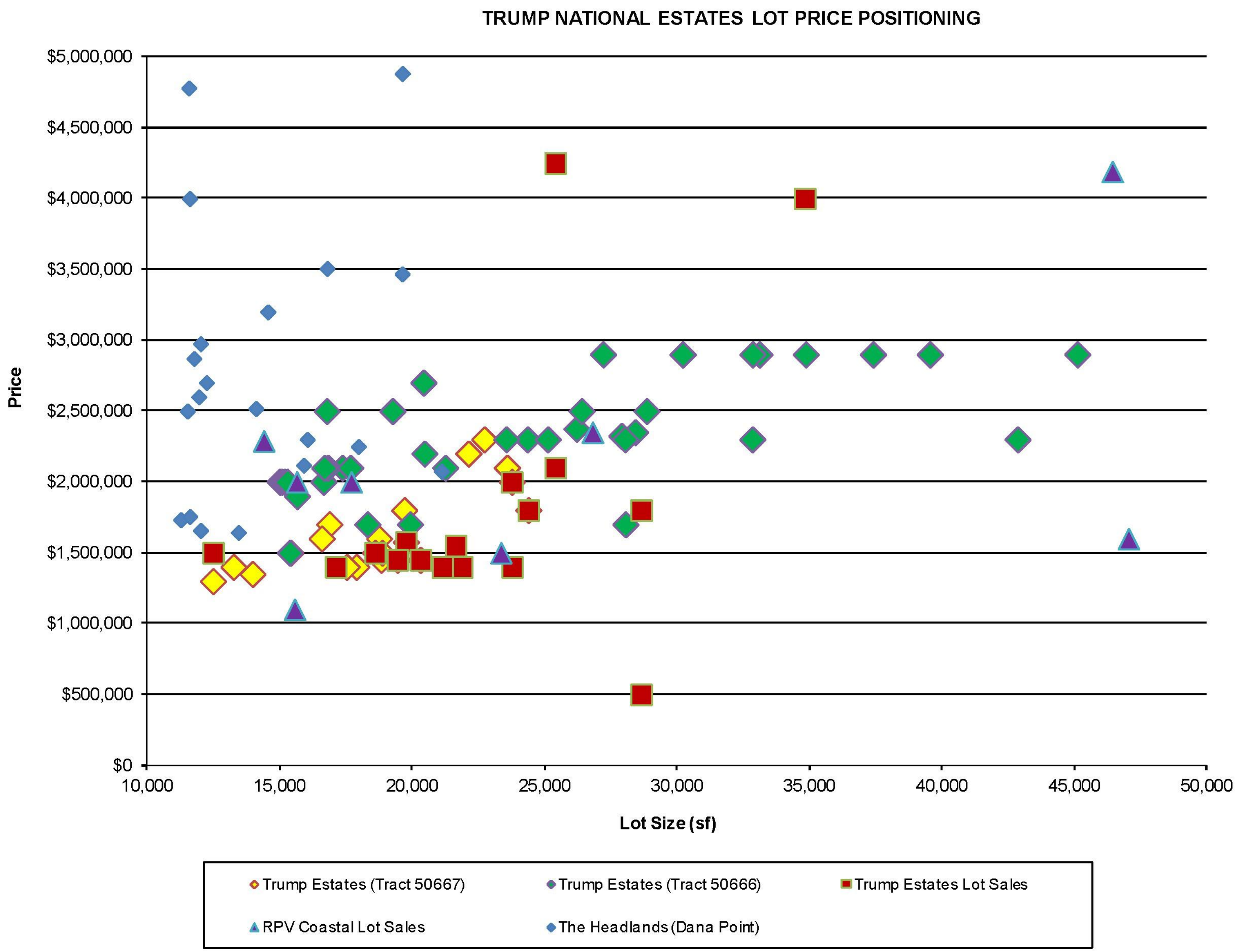
TRUMP NATIONAL ESTATES LOT PRICE POSITIONING
Price
$5,000,000
$4,500,000
$4,000,000
$3,500,000
$3,000,000
$2,500,000
$2,000,000
$1,500,000
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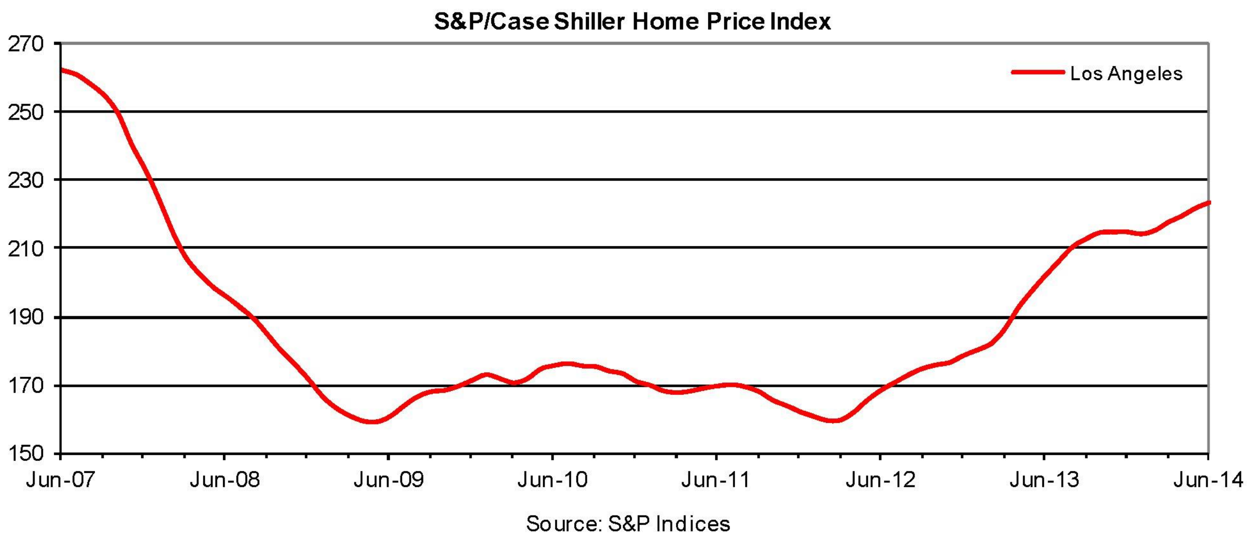
20,000
25,000
30,000
35,000
40,000
45,000
50,000
Lot Size (sf)
Trump Estates (Tract 50667)
Trump Estates (Tract 50666)
Trump Estates Lot Sales
RPV Coastal Lot Sales
The Headlands (Dana Point)

REVENUE TRENDING

After a substantial decline in both home and land prices from 2008-2011, demand has strengthened and price appreciation is common. Looking forward, the majority of market participants surveyed anticipate moderate increases in pricing.

There are an insignificant number of lot sale transactions to adequately derive lot price appreciation over the past several years. Depreciation is depicted by Trump National Estates Lot 18, which sold for $4,250,000 in 2007 and subsequently resold in 2012 for $2,100,000. Notable is lot pricing in The Headlands development has increased substantially over the past three years. Market participants confirm that lot price appreciation has occurred since 2012.

Home price trends are more readily available. The S&P Case Shiller Home Price Index for the greater Los Angeles market is often quoted in the press. Case reports Los Angeles area pricing peaked in September 2006 and subsequently decreased nearly 42 percent to the low reached in May 2009. Pricing has since increased 41 percent through September 2014. September 2014 pricing is nearly 18 percent below the peak and 41 percent above the low. Case reports Los Angeles area pricing has increased nearly 25 percent since January 2013 and 5 percent in 2014.



Zillow reported that Rancho Palos Verdes home prices increased nearly 24 percent from December 2011 to October 2014 and slightly over 5 percent from December 2013 to October 2014. Core Logic reports that national home prices increased 5.5 percent the year-ending November 2014 and they project 4.6 percent increase over the following twelve months. The Core Logic national projections include all markets. Coastal locations continue to out-perform lower priced inland markets. Likewise, luxury home markets continue to out-perform more affordable entry-level or move-up tract housing markets.

In that the lot sales cash flow incorporates “land” rather than “home” sale revenues, consideration must be given to the relative price trending in underlying land resulting from the assumed home trending assumptions. As exhibited in the following table, a land sale revenues trending analysis incorporates pertinent assumptions relative to said trending (i.e. home prices, home price trending, profit, costs, cost trending, etc.).

Based upon the Scenario 2 home build-out residual to follow, a home price of $4,615,000, or $696 per square foot, was reflective of a 6,640 square foot home on a 22,737 square foot lot. Non-leveraged static profit (no deductions were made for financing costs or interest) was estimated at 20 percent. Turn-key, or “all-in” construction costs, fees, soft costs, etc. were estimated at $275 per square.

LAND SALE REVENUES TRENDING ANALYSIS					
Product & Cost Assumptions					
Average Home Price		$4,615,000	Static Profit (non-leveraged)		20.00%
Average Price PSF		$695	Turn-Key Construction PSF		$275.00
Average Home Size (SF)		6,640	Development Costs (Per Lot)		$0
Lot Size (SF)		22,737	Time Period (Yrs)		1.00
Scenario 1			**Scenario 2**		
Price Trending (Per Annum)		3.00%	Price Trending (Per Annum)		4.00%
Cost Trending (Per Annum)		3.00%	Cost Trending (Per Annum)		3.00%
Category	Current $	Trended $	Category	Current $	Trended $
Home Price	$4,615,000	$4,753,450	Home Price	$4,615,000	$4,799,600
Static Profit	($923,000)	($950,690)	Static Profit	($923,000)	($959,920)
Construction	($1,826,000)	($1,880,780)	Costs & Fees	($1,826,000)	($1,880,780)
Development	$0	$0	Development	$0	$0
Finished Lot	$1,866,000	$1,921,980	Finished Lot	$1,866,000	$1,958,900
Land Trending Factor		**3.00%**	**Land Trending Factor**		**4.98%**
Scenario 3			**Scenario 4**		
Price Trending (Per Annum)		5.00%	Price Trending (Per Annum)		6.00%
Cost Trending (Per Annum)		3.00%	Cost Trending (Per Annum)		3.00%
Category	Current $	Trended $	Category	Current $	Trended $
Home Price	$4,615,000	$4,845,750	Home Price	$4,615,000	$4,891,900
Static Profit	($923,000)	($969,150)	Static Profit	($923,000)	($978,380)
Costs & Fees	($1,826,000)	($1,880,780)	Costs & Fees	($1,826,000)	($1,880,780)
Development	$0	$0	Development	$0	$0
Finished Lot	$1,866,000	$1,995,820	Finished Lot	$1,866,000	$2,032,740
Land Trending Factor		**6.96%**	**Land Trending Factor**		**8.94%**

The two variables in each respective scenario were home and cost trending. Effective land price annual trending factors ranged from 3.00 to 8.94 percent, depending on scenario. As will be discussed further, the appraiser has assumed a cost inflation factor of 3.00 percent. Scenario 1 demonstrated that the underlying land would trend similar to revenues and costs if both were assumed to be trending forward at the same rate of 3.00 percent.

Scenarios 2, 3, and 4 demonstrated that if revenue trending exceeds cost trending, the implied land trending would increase at a greater rate. A combination of 4.00 percent home and 3.00 percent cost trending assumptions indicated an underlying land appreciation rate of 4.98 percent (Scenario 2). If assuming more aggressive price trending at 5.00 percent, and cost trending at 3.00 percent, the inflation factor for land would increase substantially, at 6.96 and 8.94 percent, Scenarios 3 and 4 respectively.

Finally, and perhaps most relative to estimated trending rates, are those assumptions being made by market participants in their selling and buying decisions. The majority of more recent pro forma's indicate moderate home price appreciation over the next several years. Thus, based on current market conditions and our estimate of future market improvement, the appraisers projected "home" price appreciation at 5.00 percent (compounded annually). Under these assumptions, land (or lot) appreciation would be 6.96 percent (scenario 3). Accordingly, a 7.00 percent trending factor starting in the second year was used in the discounted cash flow. The trending factor was held constant through the cash flow acknowledging real estate markets are cyclical and the difficulty in predicting changes in market conditions on a periodic (annual) basis. This is consistent with how many developers formulate land purchase pro formas.

DEVELOPMENT COSTS & EXPENSES

Predevelopment & Acquisition

Based upon a review of developer pro formas, an allowance of $200,000 was included for professional fees, due diligence, research, escrow, title, closing costs, and legal fees for an initial acquisition of the property in bulk.

Direct Land Development

The appraiser utilized the provided engineering budget for Phase 2 (Tract 50666) direct land development costs which total $8,086,051. Costs are reflective of the remaining projected budget as of the date of value. Note the land development costs presented below *do not* include agency and other fees paid at building permit. A copy of the budget is found in the Addenda.

LAND DEVELOPMENT COSTS(1)

Tract	Area	No. Lots	Consulting Fees	Construction	Reimbursables	Totals (Net)
50666	A	11	$153,340	$1,224,175	($16,000)	$1,361,515
50666	B	12	$292,050	$3,084,387	($20,000)	$3,356,437
50666	EP(2)	16	$351,230	$3,046,869	($30,000)	$3,368,099
50666		39	$796,620	$7,355,431	($66,000)	$8,086,051

(1) Before Condition Property
(1) Easement Parcel

Off-Site Affordable Housing Allowance

Approvals require construction of a minimum of four dwelling units off-site as very low to low income rental housing. The units are to be located in Rancho Palos Verdes with similar minimum requirements as the on-site housing (size, bedrooms, parking, 30 years, etc.). The units are to be constructed and occupied prior to any lot sales in Tract 50666. The Donor reports they are in discussions with the City to potentially waive and/or amend this requirement. However, as the requirement still applies, an allowance was included to accommodate off-site affordable housing construction and/or an in-lieu fee to the city. The Donor reports that the cost for the four on-site units totaled approximately $667,000 (construction commenced in 2002). Site location and product design has not been determined for the off-site affordable housing units. Thus it is difficult to ascertain what the off-site cost or in-lieu fee would be for four affordable units. Given the foregoing, an allowance of $1,000,000 was included and deemed reasonable. As this cost applies to both the before and after condition valuation cash flows, any change in this cost assumption would not affect the value of the conservation easement interest.

General Administrative/Overhead

Over the duration of the project, the developer's staff and/or hired consultants will have to oversee all aspects of the project, including planning, entitlements, development, lot sales, master marketing, financial reporting, etc. General and administrative expenses typically range from 2.0 to 5.0 percent of home sale revenues. As this analysis involves lot sales only, and not a home construction program, the appraiser estimated an allowance of 1.5 percent of sales revenues for general & administration/overhead costs and/or equivalent management fee. This cost would correlate to nearly $82,000 per quarter.

Marketing & Advertising

An aggressive sales campaign would require expenditures for marketing and advertising. Marketing and advertising expenses typically range from 1.0 to 3.0 percent of home sale revenues, varying with home pricing and development duration. In this case, the developer is selling lots rather than homes. Given that Trump National Estates attracts both domestic and foreign buyers, an allowance of 1.0 percent of sales, or nearly $55,000 per quarter, was deemed reasonable.

Sales & Closing

With in-house sales and legal team, sales and closing expenses typically range from 2.0 to 5.0 percent of sale revenues, varying with home pricing. An allowance of 3.0 percent of sales (on average) was deemed reasonable, which would also include any possible broker co-op if required.

Real Estates Taxes

Property taxes were calculated assuming a 1.22 percent tax rate and initial purchase at the indicated land basis with subsequent diminishing inventory as lots are sold. Thus, property taxes decrease as the lots are delivered and released from the assessment calculation.

COST TRENDING

The development of the project will occur over an extended term. The *Marshall Valuation Service* cost index (Western District) indicated an average compounded increase of about 2.96 percent over the past 33 years and 3.52 percent over the past five years. The index indicated an increase of 2.67 percent in 2014. Cost increases are also commonly tied to annual CPI increases. Over the past several years, the CPI has been fairly flat with some actual decreases during the recession, but increasing as of late. Costs should increase along with market conditions.

Finally, perhaps most relevant to estimated cost trending rates are those assumptions being made by market participants in their selling and buying decisions. A survey of developers and builders indicated that many are incorporating slight cost inflation trending assumptions, typically ranging from 2.00 percent to 4.00 percent as of late. Considering the foregoing, costs for labor and materials were projected to remain flat the first year but increasing 3.00 percent per annum (compounded annually) in subsequent years.

CONSTRUCTION COST INDEX (1)

Western District			
Year	Index	% Change	Cumulative (2)
2009	2524	-	-
2010	2648	4.92%	4.92%
2011	2704	2.10%	7.12%
2012	2811	3.99%	11.39%
2013	2923	3.98%	15.83%
2014	3001	2.67%	18.92%

(1) Marshall Valuation Service (Class D Construction)
(2) Calculated from base year 2009.

DEVELOPMENT TIMING AND ABSORPTION

Phase 1 (Tract 50667) consists of recorded final lots and thus there would be no delay in marketing and selling remaining lots. Phase 2 (Tract 50666) is partially graded and has a Vesting Tentative Map for 23 lots and the current golf course driving range/putting green. Per development rights and the highest and best use, 16 additional lots could be developed on the driving range/putting green. There would be need for advance planning and entitlement work to finalize the Phase 2 tentative map. According to the engineer, the planning and approvals could be completed in 1.5 years. An additional 9-12 months would be required for onsite grading bringing the Phase 2 lots to a finished “deliverable” condition. Hence, delivery of Phase 2 was scheduled for Quarter 11 of the cash flow.

Phase 1 lot sales commenced in 2007 with 2 sales. Sales were then delayed through the housing downturn. There have been 8 lots sales since 2012. There have been 10 closings to date. There are an additional 8 lot purchase contracts or pending contracts.

It is notable that the Donor has not aggressively marketed the lots for sale. Lots were previously offered via a local broker but are now being marketed and sold directly by Trump. A survey of brokers and market participants familiar with Trump National Estates suggests there has not been a well-conceived and implemented marketing plan for Trump National Estates since the downturn. The Donor constructed six homes on Twin Harbors in 2005 and all have been sold, the last closing in June 2014. The homes were over-improved and the design, which included large finished basements, was met with significant market resistance, especially given the asking prices. The Donor has been reluctant to negotiate on lot prices regardless of market conditions. As of late, the only guest builder has been a local custom homebuilder, Mike Mulligan, who lives in the project and approached the Donor directly. It is difficult to draw reliable market acceptance and potential absorption conclusions from historical sales activity in Trump National Estates.

The Headlands, in Dana Point, has a much more sophisticated marketing campaign, including a target market which includes foreign buyers. There have been 33 sales in The Headlands since October 2012. That pace of sales would correlate to an average of over 1 per month and at price points ranging from $1.6 to nearly $12 million.

There are few residential lots in close proximity to the ocean for sale in Rancho Palos Verdes and Palos Verdes Estates. Lot sales activity is Rancho Palos Verdes and other areas of the coastal Los Angeles communities is limited to mostly infill and re-use properties.

At the reconciled retail lot pricing, and assuming an aggressive and coordinated marketing campaign that would include outreach to guest builders, foreign investors, and individual buyers wanting to build a custom home, a sustained overall absorption rate of 3 lots per quarter was deemed reasonable. Given the development critical path and absorption assumptions, Phase 1 lots would close-out in Quarter 7. Close-out of Phase 2 lot sales would occur in Quarter 23. Thus, the total development and sell-out period is 5.75 years for 60 remaining lots.

DISCOUNT RATE (NON-LEVERAGED IRR)

Final consideration was given to an appropriate discount rate, expressed here as a non-leveraged internal rate of return. During the housing downturn, from late 2007 through early 2009, required returns of 20 percent to 35 percent were commonly quoted. As of late, acquisitions on entitled properties have been aggressive with internal rates of return dropping well below 20 percent. This is confirmed via the 4th Quarter 2014 Price Waterhouse Coopers (PwC) land development investors survey indicating a range of 10 to 25 percent and average of 16.75 percent.

DISCOUNT RATE (IRR) SURVEY (1)

	Non-Leveraged IRR (All-In)				
Qtr-Year	Low	High	Average	Qtrly Change	Cumulative
2Q11	15.00%	30.00%	21.00%	---	---
4Q11	15.00%	30.00%	20.25%	-0.75%	-0.75%
2Q12	15.00%	30.00%	20.42%	0.17%	-0.58%
4Q12	10.00%	25.00%	19.17%	-1.25%	-1.83%
2Q13	10.00%	25.00%	18.90%	-0.27%	-2.10%
4Q13	10.00%	25.00%	18.31%	-0.59%	-2.69%
2Q14	10.00%	25.00%	18.15%	-0.16%	-2.85%
4Q14	10.00%	25.00%	16.75%	-1.40%	-4.25%

(1) PwC 4th Quarter 2014 (entitled land)

A survey of developers and a review of development pro formas indicate that most participants are typically requiring non-leveraged IRR minimum hurdle rates in the low- to high teens for a typical residential development of lower risk. Higher threshold rates would be expected in the prevailing market for projects lacking entitlements.

Many considerations were taken into account in reconciling an appropriate rate for the subject. The subject benefits from a final tract map and finished lots in Phase 1. Phase 2 has a vesting tentative map that would require amending