

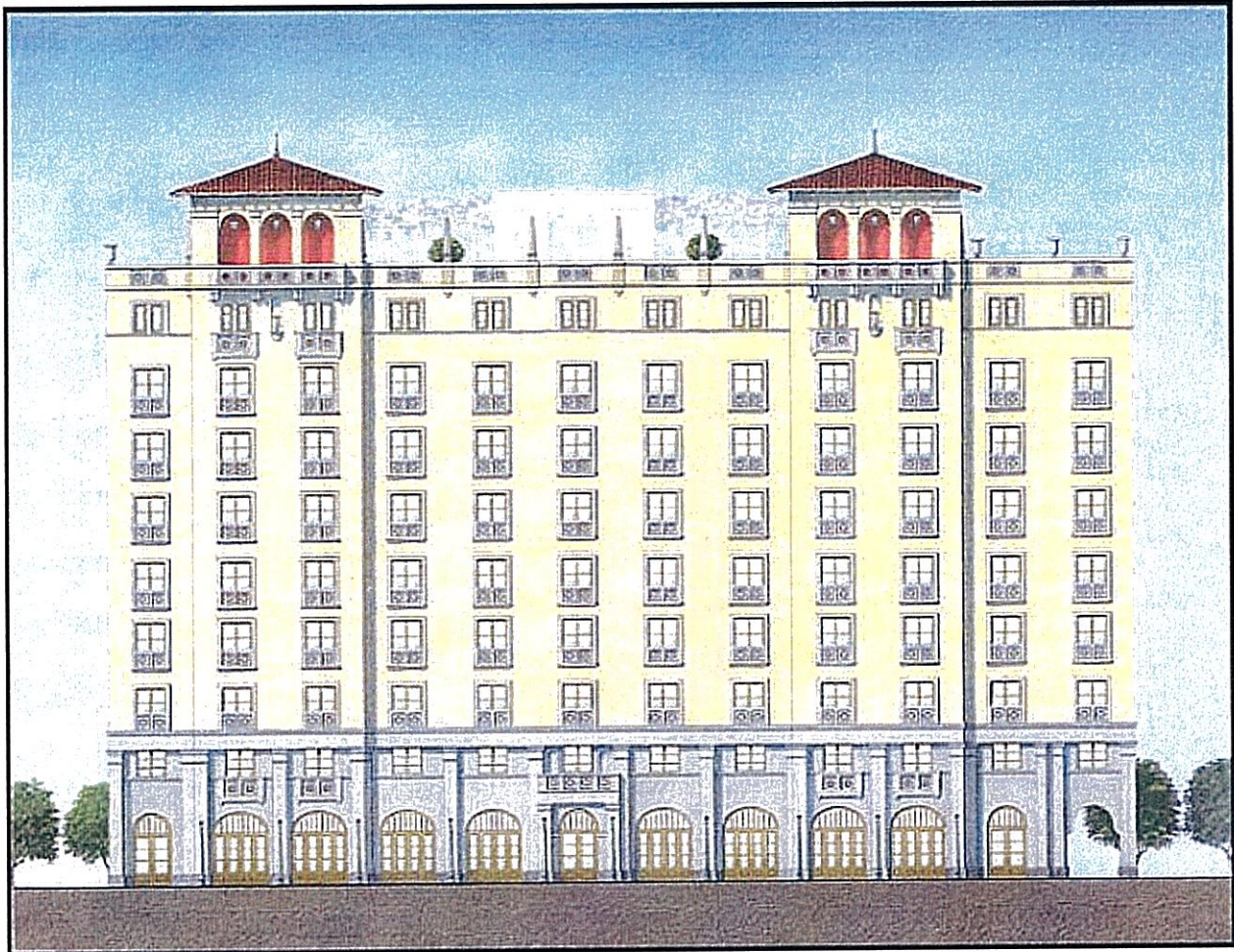


Executive Summary

PROPERTY TYPE	:	Commercial land proposed for a condominium hotel site.
LOCATION	:	The Subject Property is located on the south side of Fern Street approximately 100 feet west of South Olive Avenue in West Palm Beach, Florida.
DATE OF VALUATION	:	January 7, 2007
PROPERTY DESCRIPTION		
LAND	:	The Subject site contains a total of 24,000 square feet, or approximately 0.55 acres.
ZONING	:	UC-QD-10, Urban Core-Quadrille Garden District up to 10 stories, by the interim Downtown Master Plan of the City of West Palm Beach (see Zoning section of report).
LAND USE PLAN	:	UCBD, Urban Central Business District, by the City of West Palm Beach.
PROPOSED IMPROVEMENTS	:	The Subject site is proposed for the development of an eight story condominium hotel containing approximately 80,000 gross square feet and 92 units. The Subject currently has approvals for the proposed development, subject to review by the Downtown Action Committee (see Zoning and Proposed Improvements sections of report).
HIGHEST AND BEST USE		
AS VACANT	:	Future commercial or mixed-use development.
MARKET VALUE OF THE FEE SIMPLE ESTATE OF THE SUBJECT PROPERTY AS OF JANUARY 7, 2008	:	\$4,200,000



Elevation Rendering





Census Tract

The Subject Property lies within Census Tract 27.00.

Flood Hazard Zone

The Subject Property lies within Flood Zone "C", according to the Flood Insurance Rate Map (Panel Number 120229 0015 B) prepared for the National Flood Insurance Program of the U.S. Department of Housing and Urban Development (HUD.). Flood Zone "C" indicates areas of minimal flooding.

Assessed Value and Taxes

The total 2007 assessed value and taxes for the Subject Property are shown below. Note that the assessed improvement value was for asphalt paving on part of the site.

2007 Assessed Value and Taxes				
<u>Folio Number</u>	<u>Land Value</u>	<u>Improvement Value</u>	<u>Total Assessed Value</u>	<u>Total Taxes</u>
74-43-43-21-01-009-0030	\$1,920,000	\$7,200	\$1,927,200	\$43,278
#07-58962				

Property History

A title search was not provided by the client, nor did our office perform one. According to the Palm Beach County Property Appraiser's Office the Subject Property is currently owned by Fern Street Holdings, LLC. The Subject Property was transferred to the current owner by Carbon Beach Property Joint Venture a/k/a Carbon Beach Joint Venture in August 2003 for the recorded price of \$850,000 (OR Book 15689, Page 0731). To the best of our knowledge this was an internal transfer and not an arm's length market oriented transaction. As far as we could determine there have been no other transactions involving the Subject Property in the last five years. We are also unaware of any listings or contracts on the Subject Property. The Subject site is planned and has approvals for the development of an eight story condominium hotel with a total of 92 units. According to the Subject's owner, approximately 75% of the units are pre-sold. He also stated that he does not plan to sell any more units and will hold the rest. A description of the proposed improvements is located below.



Subject Photos



OVERHEAD AERIAL VIEW OF SUBJECT PROPERTY (SUBJECT OUTLINED IN RED)



ADDITIONAL AERIAL VIEW OF SUBJECT PROPERTY (SUBJECT OUTLINED IN YELLOW)



VIEW LOOKING SOUTH AT SUBJECT SITE



Proposed Improvements

The Subject site currently contains some old asphalt paving and construction fencing. As previously mentioned, the Subject is proposed to be developed with a condominium hotel to be known as Clarke's Hotel. The project is planned and approved for eight stories (subject to review by the Downtown Action Committee as discussed previously) consisting of just under 80,000 gross square feet and 92 saleable units. Some of the units will be designed to be dividable for a total of 141 rentable hotel rooms. The proposed building's foot print will be approximately 9,000 square feet and there will be some on site parking.

The owner has a building permit for a 5 story project, however the project has been revised for an 8 story building through the TDR program. The additional 3 stories will consist of approximately 26,676 square feet, which will cost \$18 per square foot for the TDR's, or \$480,168. According to the Subject's owner and our research, the revised building permits are in the process of being applied for and are expected to be granted by February 2008, subject to approval by the Building Official (see Zoning section of this report for a more detailed discussion). Construction is expected to be complete in approximately 12 to 14 months from commencement. An elevation rendering of the proposed project is shown on the following page.