EXHIBIT J

2008 C.B. Richard Ellis appraisal

BOYD THEATER SITE
1908 - 1910 Chestnut Street
Philadelphia, Pennsylvania 19103
CBRE File No. 08-092PA-0120

Self Contained Appraisal Report

Prepared for:

Mr. James Tucker
Vice President
LIVE NATION
2000 West Loop South - 13th Floor
Houston, Texas 77027

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April 14, 2008

Mr. James Tucker
Vice President
LIVE NATION
2000 West Loop South - 13th Floor
Houston, Texas 77027

RE: Appraisal of the Boyd Theater Site
1908 -1910 Chestnut Street
Philadelphia, Pennsylvania
CBRE File No 08-092PA-0120

Dear Mr. Tucker

At your request and authorization, CB Richard Ellis (CBRE) has prepared an appraisal of the market value of the referenced property. Our analysis is presented in the following Self Contained Appraisal Report.

The subject is a theater containing 23,100-square-foot of gross building area. This property is located at 1908-1910 Chestnut Street in the central business district of the City of Philadelphia, Pennsylvania. It was built in 1927 and is situated on a 31,569 square foot (0.725-acre) site. Currently, the facility is vacant and in poor condition. The analysis indicates that the current improvements do not represent an economically viable use of the subject site and that demolition of the improvements is necessary in order to place that land to its highest and best use. The subject is more fully described within the enclosed report.

Based on the analysis contained in the following report, the market value of the subject is concluded as follows:

MARKET VALUE CONCLUSION

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
As Is	Fee Simple Estate	March 28, 2008	$6,600,000

Compiled by CBRE

Data, information, and calculations leading to the value conclusion are incorporated in the report following this letter. The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter.

The following appraisal sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to the opinion of value. The analyses, opinions and conclusions were developed based on, and this report has been prepared in conformance with, our interpretation of the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) and Title XI Regulations.

The report is for the sole use of the client; however, client may provide only complete, final copies of the appraisal report in its entirety (but not component parts) to third parties who shall review such reports in connection with loan underwriting or securitization efforts. Appraiser is not required to explain or testify as to appraisal results other than to respond to the client for routine and customary questions. Please note that our consent to allow an appraisal report prepared by CBRE or portions of such report, to become part of or be referenced in any public offering, the granting of such consent will be at our sole discretion and, if given, will be on condition that we will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to us, by a party satisfactory to us. We do consent to your submission of the reports to rating agencies, loan participants or your auditors in its entirety (but not component parts) without the need to provide us with an Indemnification Agreement and/or Non-Reliance letter.

CBRE hereby expressly granted to Client the right to copy this report and distribute it to other parties in the transaction for which this report has been prepared, including employees of Client, other lenders in the transaction, and the borrower, if any. It has been a pleasure to assist you in this assignment. If you have any questions concerning the analysis, or if CBRE can be of further service, please contact us.

CBRE VALUATION & ADVISORY SERVICES

John B. Rush, MAI, CRE	Joseph T. Murray
Managing Director	Associate
Pennsylvania Certified General	Assistant to the State Certified
Real Estate Appraiser #GA-000331-L	Real Estate Appraiser

JTM/JBR

CBRE
CB RICHARD ELLIS

CERTIFICATION OF THE APPRAISAL

We certify 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, impartial and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in or bias with respect to the property that is the subject of this report and have no personal interest in or bias with respect to the parties involved with this assignment.
4. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
5. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
6. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
7. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal, as well as the requirements of the Commonwealth of Pennsylvania.
8. 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 and the Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
10. As of the date of this report, John B. Rush, MAI, CRE has completed the continuing education program of the Appraisal Institute.
11. Joseph T. Murray and John B. Rush, MAI, CRE have made a personal inspection of the property that is the subject of this report.
12. No one provided significant real property appraisal assistance to the persons signing this report.
13. Valuation & Advisory Services operates as an independent economic entity within CBRE. Although employees of other CBRE divisions may be contacted as a part of our routine market research investigations, absolute client confidentiality and privacy are maintained at all times with regard to this assignment without conflict of interest.

John B. Rush, MAI, CRE
Pennsylvania Certified General
Real Estate Appraiser #GA-000331-L

Joseph T. Murray
Assistant to the State Certified
General Real Estate Appraiser

SUBJECT PHOTOGRAPHS

AERIAL VIEW

TYPICAL VIEW OF THE SUBJECT

TYPICAL VIEW OF THE SUBJECT

SOUTHERN ELEVATION ALONG SANSOM STREET

TYPICAL VIEW OF THE SUBJECT

CHESTNUT STREET EASTBOUND

CHESTNUT STREET WESTBOUND

SANSOM STREET EASTBOUND SUBJECT ON THE LEFT

SANSOM STREET WESTBOUND

SUMMARY OF SALIENT FACTS

Property Name	Boyd Theater Site	
Location	1908 - 1910 Chestnut Street, Philadelphia, Pennsylvania 19103	
Assessor's Parcel Number	88-2043-201	
Highest and Best Use		
As Vacant	High Density Mixed Use	
Property Rights Appraised	Fee Simple Estate	
Land Area	0.72 AC	31,569 SF
Estimated Exposure Time	9 Months	

VALUATION	*Total*	*Per SF*
Land Value	$6,600,000	$209.07

CONCLUDED MARKET VALUE			
Appraisal Premise	**Interest Appraised**	**Date of Value**	**Value**
As Is	Fee Simple Estate	March 28, 2008	$6,600,000

Compiled by CBRE

EXTRAORDINARY ASSUMPTIONS & HYPOTHETICAL CONDITIONS

None noted.

TABLE OF CONTENTS

INTRODUCTION

PROPERTY IDENTIFICATION

The subject is a theater containing 23,100-square-foot in gross building area. This property is located at 1910-1918 Chestnut Street in the central business district of the City of Philadelphia, Pennsylvania. It was built in 1927 and is situated on a 31,569 square foot (0.725-acre) site. Currently, the facility is vacant and in poor condition. The subject's tax parcel number is 88-2043201.

OWNERSHIP AND PROPERTY HISTORY

Title to the property is currently vested in the name of Clear Channel, a related entity of Live Nation, who acquired title to the property in 2005 for $1.00, as recorded at City Hall by the Philadelphia Recorder of Deeds. This most recent sale transaction does not appear to be an arm's length transaction, but a transfer of ownership between related entities. To the best of our knowledge, there has been no other ownership transfer of the property during the previous three years.

PREMISE OF THE APPRAISAL/RELEVANT DATES

The following table illustrates the various dates associated with the valuation of the subject and the valuation premise(s):

PREMISE OF THE APPRAISAL/RELEVANT DATES	
Date of Report:	April 14, 2008
Date of Inspection:	March 28, 2008
Date of Value	
As Is:	March 28, 2008
Compiled by CBRE	

PURPOSE OF THE APPRAISAL

The current economic definition agreed upon by agencies that regulate federal financial institutions in the U.S. (and used herein) is as follows:

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 and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;

2. both parties are well informed or well advised, and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. 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. [1]

TERMS AND DEFINATIONS

The Glossary of Terms in the addenda provides definitions for additional terms that are, and may be used in this appraisal.

INTENDED USE AND USER OF REPORT

This appraisal is to be used by the client for internal financial decisions.

PROPERTY RIGHTS APPRAISED

The interest appraised represents the fee simple interest.

SCOPE OF WORK

The scope of the assignment relates to the extent and manner in which research is conducted, data is gathered and analysis is applied, all based upon the following problem-identifying factors stated elsewhere in this report:

- Client
- Intended use
- Intended user
- Type of opinion
- Effective date of opinion
- Relevant characteristics about the subject
- Assignment conditions

[1] Office of Comptroller of the Currency (OCC), 12 CFR Part 34, Subpart C – Appraisals, 34.42 (g); Office of Thrift Supervision (OTS), 12 CFR 564.2 (g); Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 4th ed. (Chicago: Appraisal Institute, 2002), 177-178. This is also compatible with the RTC, FDIC, FRS and NCUA definitions of market value as well as the example referenced in the *Uniform Standards of Professional Appraisal Practice (USPAP)*.

This appraisal of the subject has been presented in the form of a Self-Contained Appraisal Report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of USPAP. That is, this report incorporates, to the fullest extent possible, practical explanation of the data, reasoning and analysis that were used to develop the opinion of value. This report also includes thorough descriptions of the subject and the market for the property type. CBRE completed the following steps for this assignment:

Extent to Which the Property Is Identified

CBRE collected the relevant information about the subject from the owner (or representatives), public records and through an inspection of the subject. The property was legally identified through its postal address, assessor's records, legal description and title report.

Extent to Which the Property Is Inspected

CBRE inspected both the exterior of the subject, as well as its surrounding environs on the effective date of appraisal.

Type and Extent of the Data Researched

CBRE reviewed the micro and/or macro market environments with respect to physical and economic factors relevant to the valuation process. This process included interviews with regional and/or local market participants, available published data, and other various resources. CBRE also conducted regional and/or local research with respect to applicable tax data, zoning requirements, flood zone status, demographics, and comparable listing, sale information.

Type and Extent of Analysis Applied

CBRE analyzed the data gathered through the use of appropriate and accepted appraisal methodology to arrive at a probable value indication via each applicable approach to value. In analyzing the subject "As Is", only the Sales Comparison Approach was considered relevant. A reasonable exposure time and marketing time associated with the value estimate presented has also been concluded.

SPECIAL APPRAISAL INSTRUCTIONS

There have been no special appraisal instructions for this assignment.

EXPOSURE/MARKETING TIME

Current appraisal guidelines require an estimate of a reasonable time period in which the subject could be brought to market and sold. This reasonable time frame can either be examined historically or prospectively. In a historical analysis, this is referred to as exposure time. Exposure time always precedes the date of value, with the underlying premise being the time a property would have been on the market prior to the date of value, such that it would sell at its appraised value as of the date of value. On a prospective basis, the term marketing time is most often used. The exposure/marketing time is a function of price, time, and use. It is not an isolated estimate of time alone. In consideration of these factors, we have analyzed the following:

- exposure periods for comparable sales used in this appraisal;
- marketing time information from the the *Korpacz Real Estate Investor Survey; and*
- the opinions of market participants.

The following table presents the information derived from these sources.

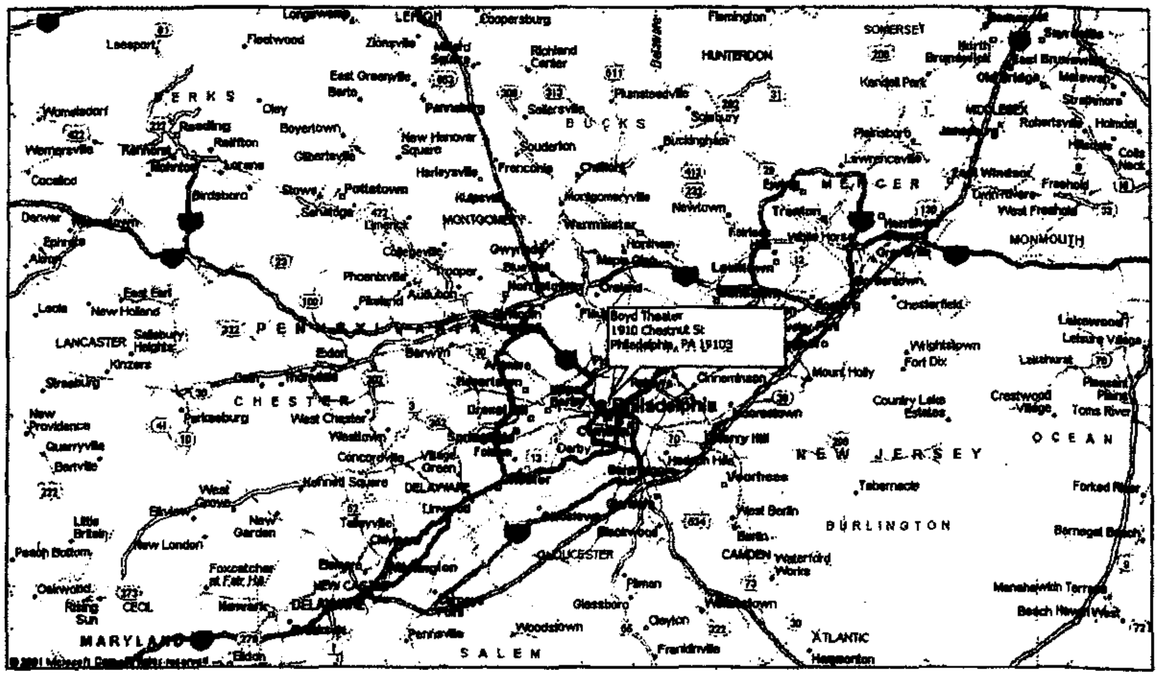
EXPOSURE TIME INFORMATION

	Exposure Time (Months)			
Investment Type	**Range**			**Average**
Comparable Sales Data	6.0	-	12.0	9.0
National Strip Center				
1Q2008	**2.0**	**-**	**12.0**	6.1
4Q2007	2.0	-	12.0	6.5
4Q2007	2.0	-	12.0	6.1
CBRE Estimate	**9 Months**			
Korpacz Real Estate Investor Survey				

In general, the improved sales indicate exposure times in the middle portion of the range indicated by the investor survey. In addition to the sales and survey data, we have also reviewed the assumptions and conclusions reached, particularly the income estimates and rates of return and there potential impact on exposure/marketing time. Based on these analyses, we have concluded an exposure/marketing time of 9 months or less would be considered reasonable for the subject.

This exposure/marketing time reflects current economic conditions, current real estate investment market conditions, the terms and availability of financing for real estate acquisitions, and property and market-specific factors. It assumes that the subject is (or has been) actively and professionally marketed. The marketing/exposure time would apply to all valuation premises included in this report.

AREA ANALYSIS



LOCATION

The subject property is located in Philadelphia, Pennsylvania, the urban core of the Philadelphia Metropolitan Area. This region encompasses over 3,500 square miles through the counties immediately surrounding that city in both Pennsylvania and New Jersey. The greater metropolitan area is actually part of a larger economic and geographic entity known as the Delaware Valley, which extends from Trenton, New Jersey at the north to Wilmington, Delaware at the south. The Delaware Valley is a closely integrated market that pervades the many political subdivisions incorporated in it.

POPULATION

The Philadelphia Metropolitan Area has the fifth largest population in the nation after New York, Los Angeles, Chicago, and Dallas. The most recently tabulated population of almost 5.16± million represents an increase of about 2.5 percent since 2000. A closer inspection of the statistics indicates population growth in the suburban counties surrounding Philadelphia, with a decline in the city itself. The current population of the City of Philadelphia is now estimated to be about 1.45± million, a decrease of approximately 4.3 percent since 2000. These statistics are significant in that demographers believe population growth is directly tied to employment growth.

SELECTED AREA DEMOGRAPHICS

Demographic Data	City of Philadelphia	Metro Philadelphia	State of Pennsylvania
Population			
2012 Population	1,404,411	5,238,984	12,587,377
2007 Population	1,451,656	5,164,469	12,478,874
2000 Population	1,517,550	5,036,646	12,281,054
1990 Population	1,585,577	4,856,883	11,881,693
Growth 2007 - 2012	-0.66%	0.29%	0.17%
Growth 2000 - 2007	-0.88%	0.50%	0.32%
Growth 1990 - 2000	-0.44%	0.36%	0.33%
Households			
2012 Households	552,721	1,992,209	4,983,594
2007 Households	569,731	1,956,701	4,916,948
2000 Households	590,071	1,889,951	4,777,003
1990 Households	603,075	1,777,366	4,495,983
Growth 2007 - 2012	-0.60%	0.36%	0.27%
Growth 2000 - 2007	-0.70%	0.70%	0.58%
Growth 1990 - 2000	-0.22%	0.62%	0.61%
2007 Median HH Inc	$35,984	$56,583	$46,854
2007 Estimated Average Household Income	$49,108	$75,723	$54,766
2007 Estimated Per Capita Income	$19,687	$29,102	$21,949
2007 Median Value of all Owner-Occ HUs	$101,020	$208,053	$138,174
Age 25+ College Graduates - 2000	172,641	925,986	1,847,631
Age 25+ Percent College Graduates - 2007	18.6%	27.1%	21.7%

Source: Claritas

EMPLOYMENT

Concurrent with national trends, the regional economy is now heavily based in the skilled/service industries. Approximately 13 percent of the metropolitan workforce is employed in health care, while another 12 percent is still in manufacturing. The retail trade employs over 11 percent of the local workforce, while financial services, professional services and education account for over 25 percent in the Philadelphia Métropolitan Area.

According to the Pennsylvania Department of Labor and Industry, the February 2008 unemployment rate in the nine county Philadelphia Metropolitan Area is currently estimated to be 5.2 percent. This rate is above the 4.9 percent for the Commonwealth of Pennsylvania, and the 4.8 percent for the nation, as a whole. At the same time, Philadelphia County had an unemployment rate of 7.0 percent.

INCOME

The median effective household buying income or disposable income after federal taxes in the Philadelphia Metropolitan Area is currently estimated to be $56,583. In comparison, that of Philadelphia County alone is only $35,984.

RECENT PERFORMANCE

Following a midyear lull, the Philadelphia economy rebounded in the second half of 2007. The pace of hiring, however, remains lackluster and is well below the national average. Philadelphia is combating layoffs in financial services and manufacturing and a downshift in hiring in its core sectors such as education and healthcare. Strong growth in retail trade is helping put a floor under job growth, but this support is unsustainable as consumer spending is slowing on the back of below average job growth and more difficult macroeconomic conditions.

The housing market correction is running its course. Single-family permitting activity is showing signs of stabilizing, albeit near levels not seen since the early 1990s. House-price growth is decelerating while mortgage credit quality is eroding rapidly.

CREDIT CONCERNS

Global financial market tightening will not derail Philadelphia's expansion, but it is leaving a mark. Philadelphia is not overly exposed to subprime lending, although it is home to many firms that are tied to financial markets, including banks, consulting businesses, and law and accounting firms. Since global financial markets froze last August, the financial services sector in Philadelphia has cut over 1,600 positions, bringing its year-to-date total to 2,600. The Federal Reserve's January Beige Book suggests that conditions will not improve as respondents expect slow growth in total lending, foreshadowing additional layoffs in the financial services sector. As payroll cuts in the industry will not bottom out until mid-2008, the burden of keeping job growth positive will rest on Philadelphia's other core sectors, namely education/healthcare and business/professional services.

COMMERCIAL REAL ESTATE

To date, commercial real estate has lent key support to the Philadelphia economy, but strong downside risks could cause this support to wane. Although local homebuilders are pulling back on projects, layoffs in the construction industry have been absent; in part due to some workers shifting to commercial work on office or institution work underway, especially in Center City. The overall commercial vacancy rate in Philadelphia has been declining steadily since 2004, and with no additional space slated to come on line until 2010, office vacancy rates in Center City will edge lower. However, the outlook comes with a number of risks, namely weaker corporate profit growth, fragile business confidence and a local or national recession.

TOURISM

While the housing market is weighing on economic growth, Philadelphia is benefiting from strong tourism activity. The weak dollar has provided some support to Philadelphia's tourism and retail industries over the past few years. According to Smith Travel, hotel vacancy rates averaged 69%, essentially unchanged from the previous four years but above their historical average of 67%. Also, payroll employment in leisure/hospitality is at a historic high. With tourism relatively strong in Philadelphia, several new hotels are planned. The outlook is cautiously optimistic for the leisure/hospitality industry as it will be buoyed by a weak dollar and the gradual opening of casinos.

LINKAGES

The greater Philadelphia Metropolitan Area is conveniently accessible to an extensive network of interstate highways and state and inter-county roads. The Port of Philadelphia is one of the largest fresh water ports in the country. The Philadelphia International Airport provides service to most major North American cities and many European destinations. From its central location in the heart of the eastern megalopolis, excellent rail accessibility is also available.

CULTURAL, EDUCATIONAL & RECREATIONAL RESOURCES

Educational opportunities abound throughout the region, with twelve major colleges and universities located here. There are also four teaching medical college hospitals in the Philadelphia area. As the nation's fifth largest urban center and first capital, cultural and recreational activities available to the populace are widely diverse.

GOVERNMENT

The suburban counties surrounding the City of Philadelphia are divided into separate municipalities known as townships or boroughs, each with its own elected board of supervisors and zoning code. In addition, independent school districts overlap a number of these municipalities throughout the surrounding counties with their own separate view on real property taxation. There is no county-wide or regional coordination of these governments with regard to land planning, taxation, development incentives or dis-incentives, which frequently results in haphazard or uneven land uses, transportation, and human services.

CONCLUSION

Real gross domestic product (GDP), the output of goods and services produced by labor and property located in the United States, is reported to have increased at an annual rate of 1.5 percent during the fourth quarter, meaning GDP grew 2.8 percent during the twelve months ending December 2007. Economic models developed previous to the recent interest rate cuts and proposed stimulus packages, suggest real GDP will grow at a 3.0 to 3.5 percent rate during 2008. Now that the Fed has cut interest rates, the probability exists of even greater growth in 2008.

Still, the inventory of available houses remains at a 9.8-month supply. With housing so weak, manufacturing production was flat during the second half of 2007 as were orders for new durable goods. But housing is now a small share of GDP (4.5%), and it has fallen so much already that it is highly unlikely to drive the economy into recession by itself. In contrast, exports are now 12 percent of the economy, and are growing at a fast pace. Thus, the boom in exports is overwhelming the losses derived from housing.

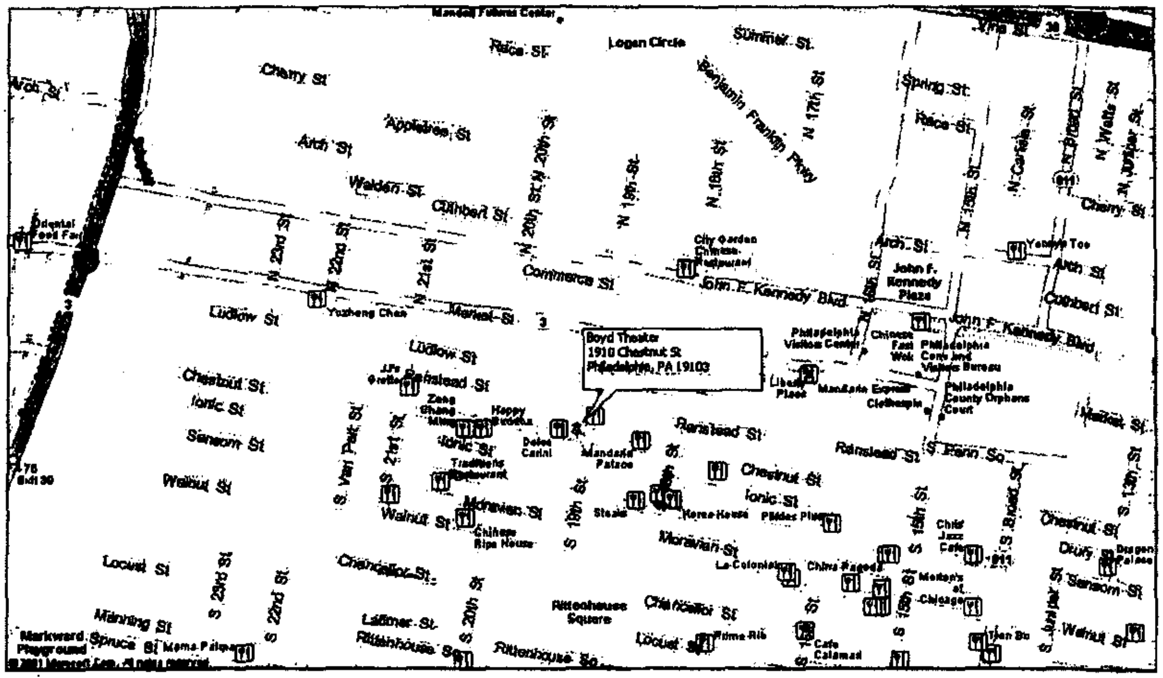
Retail sales fell by 0.4 percent in December, but were up 1.1 percent in November. A one-month drop in retail sales is not unusual; in each of the past five years, retail sales have been negative for at least three months. These declines are more a part of the normal volatility of the data than a sign of recession.

Unemployment has shifted up to 4.9 percent nationally, yet personal income is up 6.1 percent during the past twelve months. Additionally, small business income accelerated in October and November, the height of the so-called credit crunch. Many believe that a recession has already begun because credit market have seized-up. The fear is that a credit contraction will cause a major economic slowdown. In contrast, initial unemployment claims, a consistent bell-weather for recession, are nowhere near a level of concern at this time

Fortunately for the real estate market, the Philadelphia Metropolitan Area benefits from a relatively diversified economic base, which protects the region from the effects of wide swings in the economy. This region's strategic location along the eastern seaboard and its reputation as a business center should further enhance the area's long-term outlook. It is our conclusion that the long-term trends of the region should exert positive influences on the value of well-located and well-designed real property.

NEIGHBORHOOD ANALYSIS

The subject property is situated at the south side of Chestnut Street, between 19th and 20th Streets, in Center City Philadelphia. Center City Philadelphia is the commercial, financial and governmental core of the fourth largest metropolitan center in the country. Like all other central business districts, Center City Philadelphia is characterized by a concentration of high density commercial, residential and institutional land uses.



Although office development is the primary land use in Center City, high rise residential properties are also found. Major residential projects include the Rittenhouse, Independence Place, Wanamaker House, and Society Hill Towers. In addition, a large number of former Class B and C office structures, as well as older industrial lofts buildings, unable to compete for tenants, have been acquired by entrepreneurs for redevelopment into apartment and condominium use. Strong demand for condominium properties has led to the recent conversion of the Dockside and Phoenix luxury apartments, the former Hawthorne Suites Hotel, Victory Building Apartments, Ambassador Apartments, 2601 Parkway Apartments as well as numerous Class B office and industrial buildings into condominiums.

Low interest rates combined with tax incentives for new construction have helped fuel demand for housing and spurred new construction as well. New construction in the vicinity includes the *National East* on North 2^{nd} Street. New condominium development is also in full swing in the Market Street West section with several projects recently begun or proposed. These include *the Murano* at 21^{st} and Market Streets and the *Residences at the Ritz Carlton* at the southeast corner of 15^{th} and Chestnut Streets just south of City Hall, plus *10 Rittenhouse* and *1706 Rittenhouse* on Rittenhouse Square.

Buyers in the market are a combination of affluent "Baby Boomers"; professionals who view the area as inexpensive in comparison to similar areas in such urban centers as New York or San Francisco; those "buying up" who previously may have moved to the suburbs but have a desire for city living and "empty nesters". Sharing a belief that the less driving you do, the better quality of life, these urban converts are flocking to all parts of Center City.

The area immediately surrounding and influencing the subject property is primarily characterized by a combination of low-rise buildings with ground-floor retail space and office buildings. The property lies one block north of prestigious Rittenhouse Square and one block south of the West Market Street office corridor. Just east of the subject, at 1920 Chestnut Street, a building was recently converted to residential condominiums. Adjacent to that building at 1930 Chestnut Street, a former office building converted to luxury high rise apartments. At the northeast corner of 20^{th} and Chestnut Streets, a building has been converted to 30 apartment units. Thus, the character of the immediate neighborhood continues to evolve as a residential location. Walnut Street, in the vicinity of the subject property, is also the site of numerous high fashion boutiques and restaurants.

In September, 2007 Castleway Propeties purchased a large (0.83 Acre) parcel on the north side of Rittenhouse Square extending through to Sansom Street for $36.7 million. This site, just south of the subject, was unapproved as the time of sale. The grantee is in the process of obtaining approvals for a high density mixed use project.

The Market West office corridor is situated just north of the subject. This corridor runs primarily along Market Street and John F. Kennedy Boulevard, from Broad Street to the Schuylkill River and has the region's largest concentration of office space which serves as the hub of many professional, clerical and service workers in the city. The Schuylkill Expressway (Interstate 76) is just five blocks to the west, connecting this neighborhood to the rest of the region. Amtrak's 30^{th} Street Station serves as a regional transportation hub of sorts, with commuter lines served by SEPTA, and the northeast corridor and the nation served by Amtrak's extensive rail service. Approximately 35,000 commuters pass through 30^{th} Street Station on a daily basis.

University City, just across the Schuylkill River west of the subject, is home to the University of Pennsylvania, Drexel University, the University City Science Center, and the Hospital of the University of Pennsylvania. The area is also served by public surface buses. The regional commuter rail line (SEPTA) has a station at 17th Street and Kennedy Boulevard, approximately 4 blocks northeast of the subject. SEPTA's subway network also runs along Market Street and Broad Street, a short walk from the subject

To conclude, the subject property situated in a desirable residential neighborhood with close proximity to commercial, retail, medical, educational and cultural attractions as well as redevelopment projects in the area. In our opinion, the trend for the neighborhood is positive with ample prospects of long-term appreciation in real property values.

MARKET ANALYSIS

An awareness of rising mortgage defaults during the summer of 2007 led credit markets to vigorously tighten lending criteria for home buyers. That shift in practices is directly related to the current sharp decline in home sales activity and associated lower pricing levels. Higher credit standards are keeping many potential buyers entirely out of the housing market, while other potential buyers are sitting on the sidelines waiting for further price cuts.

However for the more affluent buyers, the credit crunch is less of a problem. According to the National Association of Realtors, the availability of jumbo mortgages – those that exceed the $417,000 limit for loans that can be sold to Fannie Mae and Freddie Mac – has improved in recent weeks.

National average mortgage rates increased slightly to 5.88% in the latest Primary Mortgage market Survey released by Freddie Mac on April 3rd. New and existing home sales moved in opposite directions in February. New Home sales fell 1.8% in February to a seasonally adjusted 590,000 homes. The median price for a new home jumped 8.25% in February to $244,100, which is the highest it has been since November. An increase in both mortgage rates and new home prices in February pushed affordability back down to its lowest level since November.

On a national basis, the number of homes listed for sale is enough to last about 9.8 months at the current sales pace, an increase from the 9.5 months of supply in January. When that figure is longer than six months, it is considered a buyer's market. Note that during the first half of this decade, when the housing market was white-hot, supplies hovered around four to five months.

Annualized sales of total existing homes increased 2.9% in February to 5.03 million units. February's annualized pace is the fastest since October. Median existing homes prices in February declined to $195,900, the lowest level since May 2004.

Locally, it is reported that home sales in metropolitan Philadelphia were down by 10 percent during the third quarter of 2007, but prices throughout this region have generally held steady. Nevertheless, prices in the Center City sub-market were actually up 6.3 percent from the previous year. Still, "days-on-market", a local metric of market velocity, has nearly doubled over the past year to approximately 75 days for all homes sales.

For the condominium market in center city, there have also been signs of sluggishness. It does appear that the Philadelphia CBD condominium market is experiencing an oversupply and a decline in sales compared with recent years. At year end 2007, approximately 1,800 condominiums were on the market. Of those, just 5% sold in the fourth quarter. This was a decrease from a mid-year inventory of 2,300 units with sales of 10%. However, despite that, real estate agents and developers continue to see buyers and sellers strike deals. This area did not experience the overbuilding which occurred in many areas nationally and has not been as greatly affected by the tightening of credit. Even with the slower market, our amount of new construction remains modest compared to other truly overbuilt cities like Miami, Las Vegas, and Phoenix.

CONCLUSIONS

Philadelphia has the third largest downtown population in the country, surpassed only by Manhattan and Chicago. As a whole, big cities are now viewed more favorably by homebuyers, and the perception of Center City has a livable neighborhood has greatly increased over the past decade. Despite this renaissance, home prices in Center City continue to be more affordable than other cities in the Northeastern quadrant of the country.

The demographers are projecting continued population increases for Center City Philadelphia as more empty nesters downsize from the suburbs and young homeowners seek employment and housing within Center City. Although there are some signs of a softening in the market, a continued low interest rate environment should serve to nurture market demand.

RETAIL COMMERCIAL MARKET

For retail properties, the low interest rate environment that has existed over the past three years has kept consumers buying, which in turn has kept demand for retail space strong. However, modern retailing concepts and merchandising formats are in a state of flux as consumers' tastes and desires change. People now have less time for shopping and crave convenience. The winning formula for retail development today is a combination of location and a dominant merchant with the latest format.

Primary data utilized for this analysis of the retail component of the subject were derived from Reis, Inc., purveyors of such information to the real estate industry. Retail market statistics for the Metropolitan Philadelphia Area and Philadelphia County at the year-end 2007 are presented below.

RETAIL MARKET STATISTICS

Category	Metro Philadelphia	Submarket
Existing Supply (SF)	59,657,000	10,284,000
New Construction (SF)	745,000	70,000
Leasing (SF)	1,061,000	58,000
Average Occupancy	93.9%	94.9%
Average Rent PSF	$19.92	$20.44
Date of Survey	April-08	

Source: REIS

As outlined above, Reis estimated that there are approximately 59.7± million square feet of retail space in the Philadelphia Metropolitan Area, of which about 10.3± million square feet are in Philadelphia County. In 2007, 745,000 square feet were delivered in the overall region. Absorption of retail space has been positive, during that same time frame. The overall vacancy rate throughout this metropolitan area is estimated to be 6.1 percent, while that of Philadelphia County, wherein the proposed retail space at the subject would compete for tenants and consumer dollars, was estimated to be 5.1 percent.

Center city's retail market is supported by surrounding neighborhoods and by 300,000± workers. The growth in tourism, conventions and cultural attractions, along with an expanding residential population in Center City, now generates high volumes of pedestrians on the streets day and night.

According to a most recent retail survey conducted by Center City District and Central Philadelphia Development Corporation, there were 2,146 retail establishments in Center City, up 4.9% from year-end 2003 of 2,045. In addition, 67 premises were under construction and 255 (11.8%) were vacant. The total number of vacant spaces at year-end 2003 was 332 (16%). Over the past decade, the number of retail establishments along with rental rates has been trending upward.

We surveyed a number of retail leases in the Center City area. These leases are summarized on the following chart. As this chart illustrates, retail leases ranged from an average low $10.50 per square foot to a high of $100.00 per square foot. All of these transactions were on a net basis with terms typically ranging from 3 to 10 years.

RETAIL/COMMERCIAL RENTS

No.	Tenant Location	Area SF	Start Term (Yrs.)	$/SF Contract Escalations	Escalations Years	Average Rent (SF)	Tenant Reimbursements	TI $/SF	Free Rent
1	Franco Sole Symphony House	1,665	February-08 10	$54.00 $ 65.00 - YR 6	6	$59.50	Net	Not Available	None
2	Du Jour Symphony Symphony House	2,600	September-07 10	$50.00 $ 57.00 - YR 6	6	$53.50	Net	Not Available	None
3	Bobby Chez Gourmet Crabcakes 1352 South Street	1,700	Jun-07 10	$30.00 $33.00 $35.00	4 8	$32.70	Net	As Is	4 Months
4	Nail Salon 209 N. 3rd Street	1,600	June-07 5	$18.75 Annually	1 through 5	$22.35	Net	As Is	None
5	K. Hovnanian Sales Center 134 N. 2nd Street	1,984	Mar-07 1	$30.00	N/A	$30.00	Net	As Is	None
6	Sailor Jerry 114 South 13th	950	Aug-06	$31.58 3.0% P.Y.	2-5	$33.44	Net	As Is	None
7	Starbucks 12th & Walnut Streets Garage	1,651	May-06 10	$44.00 $50.60	Yr. 5	$47.30	Net	As Is	None
8	Citibank 1230 Arch Street	4,643	Jul-06	$43.00 $47.00	Yr. 6	$45.00	Net	As Is	None
9	Pad Thai Shack 12th & Walnut Streets Garage	1,174	Jan-06 5	$19.00 $1.00/SF	Yr. 2	$19.80	P.R. RE Taxes	As Is	None
10	Edible Arrangements 12th & Walnut Streets Garage	1,334	Jan-06 10	$22.00 $25.30	Yr. 5	23.65	P.R. RE Taxes	As Is	None
11	Triumph Brewing Company 117-21 Chestnut Street	5,500	Jan-06 10	$38.29 3.0% P.Y.	2-10	$43.90	Net	As Is	None
12	Mexican Restaurant 3 Ben Franklin Parkway NEc Cherry Street	6,269	Jan-06 10	$22.00 0.50/SF P.Y.	2-10	$24.25	Net	$25.00	None
13	Sunflower Florist 12th & Walnut Streets Garage	1,906	Sep-05 5	$10.50 Flat	None	$10.50	P.R. RE Taxes	As Is	None
14	Lee's Hogies 1701 Chestnut Street W/s of S. 17th	749	Sep-05 2.0	$65.64 5% P.Y.	1-2	$67.59	Net	As Is	None
15	Wine Bar 129 S. 13th Street	1,472	Sep-05 5	$24.46 3.2% P. Y.	2-4	$23.08	Net	As Is	6.3 Months
16	Salon Ricochet 104 S. 13th Street	1,200	Aug-05 3	$28.50 3.45% P.Y.	2-3	$27.74	Net	As Is	2.0 Months
17	Melting Pot 1201 Filbert	4,651	Jun-05 10.0	$32.00 10.0%	3, 7	$35.20	Net	As Is	None
18	Kimberly's 123 S. 16th Street	977	May-05 3.6	$58.34	0	$58.34	Net	As Is	7 Months
19	2000 Sansom St. SWc 20th Street	469	Jan-05 3.0	$40.59 3% P.Y.	1-2-3	$41.82	Net	As Is	None
20	Cole Hahn 1600 Walnut Street SWc S. 16th Street	2,400	Jan-05 10.0	$100.00	0	$100.00	Net	As Is	None

Compiled by: CBRE

Concessions

Concessions are not mainstream in the local retail leasing market. The only exception to this is the granting of 30 to 60 days free rent to a local merchant occupying a smaller in-line store in place of a tenant work letter. In the leasing of retail space like that proposed for the subject, rent concessions are the exception and the not the rule.

Tenant Improvements

Traditionally, retail space is leased with ownership responsible for no tenant improvements or fixtures. However, recent competitive pressures now frequently motivate owners to make contributions to a retailer's costs of preparing a store for occupancy. These contributions vary from a nominal amount, to up to $60.00 per square foot, depending on the perceived need by the parties to the negotiations for each other. In the case of the subject property, ownership would most likely be expected to contribute to a tenant's interior finishes. However, all those costs are included in the property's initial construction budget.

Leasing Commissions

The typical leasing commission for in-line tenant space is 6 percent of the first year's rent, 5 percent of the second year's rent, 4 percent of the third year and 3 percent for each subsequent year, payable in the initial year. For renewal tenants, the typical leasing commission is half that, payable in the year of renewal. Initial leasing commissions are also included among the property's construction costs.

PARKING MARKET

Throughout Center City Philadelphia, there are a number of complexes that sell condominium ownership rights in parking spaces. Most are associated with residential multi-family condominium projects like the subject. However, there is one garage, known as the Old City Parkominium, which is exclusively for motor vehicles for neighbors without an attached or related residential component. Below is a summary presentation of recent market transactions involving condominium parking spaces.

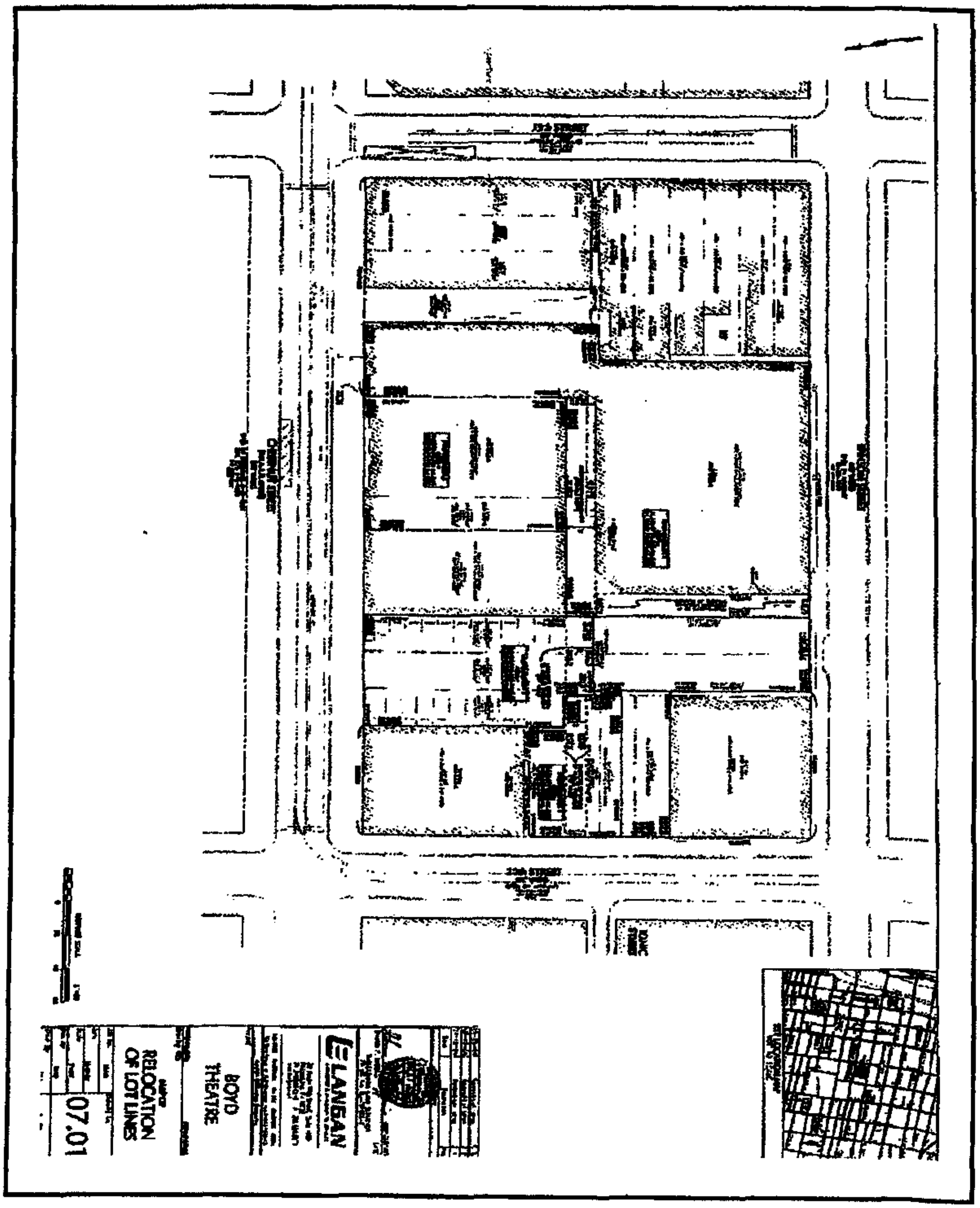
CONDOMINIUM PARKING SALES		
	$/Space	
Project	Low	High
Parkominium	$ 35,000	$ 49,900
Moravian	$ 35,000	$ 45,000
108 Arch Street	$ 37,500	$ 45,000
2200 Arch Street	$ 25,000	$ 40,000
Metro Club	$ 25,000	$ 25,000
Symphony House	$ 45,000	$ 60,000

Compiled by CB Richard Ellis, Inc.

CONCLUSIONS

As can be seen, new construction is occurring in Center City Philadelphia, although there have been recent signs of a softening in the residential market. Tax abatements on new residential construction, and low interest rates combined with renewed interest in Center City has helped fuel this demand. An increased population in the central business district has had a spill over affect on the retail sector and rental rents are trending upward. The subject property is well positioned to benefit from these factors and the overall outlook for long term is positive.

PLAT MAP



SITE ANALYSIS

The following chart summarizes the salient characteristics of the subject site.

SITE SUMMARY			
Physical Description			
Total Site Area - Parcels "A to J"	0.72 Acres		31,569 Sq. Ft.
Total Site Area Parcels "C & D"	0.32 Acres		14,010 Sq. Ft.
Primary Road Frontage	Ss Chestnut Street		45 Feet
Secondary Road Frontage	Ns Sansom Street		142 Feet
Shape	Irregular		
Topography	Level		
Zoning District	C-4, Commercial		
Flood Map Panel No. & Date	420757 0183 F		2-Aug-96
Flood Zone	X		
Adjacent Land Uses	Commercial and residential uses		
Comparative Analysis	**Rating**		
Access	Average		
Visibility	Average		
Functional Utility	Average		
Traffic Volume	Average		
Adequacy of Utilities	Average		
Landscaping	Average		
Drainage	Assumed adequate		
Utilities	**Provider**		**Adequacy**
Water	City of Philadelphia		Yes
Sewer	City of Philadelphia		Yes
Natural Gas	Philadelphia Gas Works		Yes
Electricity	PECO Energy		Yes
Telephone	Verizon		Yes
Mass Transit	SEPTA		Yes
Other	**Yes**	**No**	**Unknown**
Detrimental Easements			X
Encroachments			X
Deed Restrictions			X
Reciprocal Parking Rights			X
Common Ingress/Egress			X

Source: *Various sources compiled by CBRE*

LOCATION

The subject is situated on the south side of Chestnut Street, just east of 19th Street.

ASSESSOR'S PARCEL NUMBER

The Philadelphia Board of Revision of Taxes identifies as Tax Parcel number 88-2043-201.

LAND AREA

The land area size was obtained via tax assessment data. The site is considered adequate in terms of size and utility. There is no unusable, excess or surplus land area.

SHAPE AND FRONTAGE

The site is generally rectangular and has adequate frontage along two primary thoroughfares within the neighborhood.

INGRESS/EGRESS

Ingress and egress are available to the site via the south side of Chestnut Street and the north side of Sansom Street. Chestnut Street, at the subject, is a primary connector that has a dedicated width of 50 feet and is improved with two lanes of traffic in an eastbound direction. Street improvements include asphalt paving and concrete curbs, gutters and sidewalks, and street lighting. Sansom Street at the subject is one-way westbound that has a dedicated width of 40 feet. It is improved with concrete curbs, gutters and sidewalks, and street lighting. Please refer to the prior site/plat exhibit for the layout of the streets that provide access to the subject.

TOPOGRAPHY AND DRAINAGE

The site is generally level and at street grade. The topography of the site is not seen as an impediment to the development of the property. During our inspection of the site, we observed no drainage problems and assume that none exist.

SOILS

A soils analysis for the site has not been provided for the preparation of this appraisal. In the absence of a soils report, it is a specific assumption that the site has adequate soils to support the highest and best use.

EASEMENTS AND ENCROACHMENTS

Based on an inspection and review of the site plan, the property does not appear to be adversely affected by any easements or encroachments. It is recommended that the client/reader obtain a current title policy outlining all easements and encroachments on the property, if any, prior to making a business decision.

COVENANTS, CONDITIONS AND RESTRICTIONS

There are no known covenants, conditions and restrictions impacting the site that are considered to affect the marketability or highest and best use.

UTILITIES AND SERVICES

The site is within the jurisdiction of the City of Philadelphia and is provided all municipal services, including police, and fire. All utilities are available to the site in adequate quality and quantity to service the highest and best use.

FLOOD ZONE

According to flood hazard maps published by the Federal Emergency Management Agency (FEMA), the site is within Zone X, as indicated on the indicated Community Map Panel No. 420757 0183 F, which is not a designated flood hazard area.

ENVIRONMENTAL ISSUES

CBRE has not observed and is not qualified to detect, the existence of potentially hazardous material or underground storage tanks which may be present on or near the site. The existence of hazardous materials or underground storage tanks may affect the value of the property. For this appraisal, CBRE has specifically assumed that the property is not affected by any hazardous materials that may be present on or near the property.

ADJACENT PROPERTIES

The adjacent land uses are summarized as follows:

North:	Retail/office
South:	Retail/high density residential
East:	Retail/office/high density residential
West:	Retail/high density residential

CONCLUSION

The site is well located and afforded average access and visibility from roadway frontage. The size of the site is larger than the typical site in the area, and there are no known detrimental uses in the immediate vicinity. Overall, there are no known factors which are considered to prevent the site from development to its highest and best use.

IMPROVEMENTS ANALYSIS

The following chart depicts a summary of the improvements.

IMPROVEMENTS SUMMARY	
Property Type	Theater
Number of Buildings	1
Number of Stories	1 and part 2
Gross Building Area	23,100 SF
Site Coverage	73.0%
Land-to-Building Ratio	1.4: 1
Parking Improvements	None
Year Built	1927
Actual Age	80 Years
Effective Age	80 Years
Total Economic Life	50 Years
Functional Utility	Shell condition

As shown, the subject is a former theater that was built in 1927 on a 31,569 square foot site. Currently, the facility is vacant and in poor condition. The original stage theater is located on the north side of Sansom Street and is approximately six-stories above grade and one and one-half stories below grade. The building has had some interior demolition work done and is considered to be in shell condition.

Building plans and specifications were provided in conjunction with this appraisal and were prepared by Martinez & Johnston and dated April 12, 2006. The following is a description of the subject improvements and basic construction features derived from these plans and CBRE's inspection.

YEAR BUILT

The subject was built in 1927.

FOUNDATION

The foundation consists of a continuous monolithic slab poured on reinforced concrete footings.

FLOOR STRUCTURE

The floor structure is concrete on the ground level. The stage area and office/mezzanine has wood flooring. The balcony floor is cast in place concrete.

EXTERIOR WALLS

The building has a limestone façade at the entrance with the remaining walls consisting of brick.

ROOF COVER

The roof has a membrane covering over concrete deck supported by steel trusses.

INTERIOR

At the time of inspection all seating had been removed and the building was in shell condition.

STAIR SYSTEM

Two sets of interior stairwells connect with the balcony level and basement levels. In addition, there is a stairway off the entrance, which connects to an upper level office/mezzanine.

HVAC

At the time of inspection there was no air-conditioning. Temporary heating was provided by electric space heaters.

MECHANICALS

Electric service was in operation at the time of inspection, but there was no operating plumbing.

FUNCTIONAL UTILITY

The overall layout of the property is considered atypical, due to a third floor mezzanine level.

ENVIRONMENTAL ISSUES

CBRE has not observed and is not qualified to detect the existence of any potentially hazardous materials such as lead paint, asbestos, urea formaldehyde foam insulation, or other potentially hazardous construction materials on or in the improvements. The existence of such substances may affect the value of the property. For the purpose of this assignment, we have specifically assumed that any hazardous materials that would cause a loss in value do not affect the subject.

CONCLUSION

The building suffers from various forms of physical depreciation and functional obsolescence. The interior is in shell condition and not considered to contribute significantly to the overall marketability of the property. Retrofitting the building with a sprinkler system as well as overall upgrades to the interior finishes would be required for an alternative use. Overall the condition of the building is considered poor.

Demolition costs are estimated based on *Marshall Valuation Service* and our experience with similar properties in Center City Philadelphia. On a square foot basis, demolition costs for a Class B building range from \$5.25 to \$7.20 per square foot. We note that the subject has a base building area of 23,100 square feet. However, portions of the structure are six-stories above and one and one-half stories below grade. In addition, there is a balcony area and office/mezzanine level. Considering these physical traits, we estimate demolition costs at \$400,000.

ZONING

The following chart summarizes the subject's zoning requirements.

ZONING SUMMARY	
Current zoning	C-4, Commercial
Legally conforming	Yes
Uses permitted	High density commercial, mixed use and residential development generally found in the business core of large cities.
Zoning change	Not likely
Category	**Zoning Requirement**
Minimum Lot Size	Not Applicable
Minimum Lot Width	Not Applicable
Height limit	Not Applicable
F. A. R.	500% of the lot area, plus additional gross floor area as provided up to 1,300%.
Occupied Area	100%
Front setback	Not Applicable
Rear setback	Not Applicable
Side yard setbacks	Not Applicable

Source: City of Philadelphia

ANALYSIS AND CONCLUSION

The improvements represent a legally-conforming use and, if damaged, may be restored without special permit application. We are not experts on complex zoning issues, and it is recommended that local planning and zoning personnel be contacted regarding more specific information that might be applicable to the subject.

TAX AND ASSESSMENT DATA

The following summarizes the subject's market value, assessed value, and taxes, and does not include any furniture, fixtures and equipment.

AD VALOREM TAX INFORMATION		
Assessor's Market Value		2008
88-2043-201		$2,303,000
Subtotal		$2,303,000
Assessed Value @		32%
		$736,960
General Tax Rate	(per $1,000 A.V.)	82.640000
Total Taxes		$60,902
Source: Board of Revision of Taxes		

REAL ESTATE TAXE RATE

The current tax rate for real estate in Philadelphia is $82.64 per $1,000 of assessment. This tax rate has been unchanged since 1990. In Pennsylvania, real property may not be re-assessed upon sale. Re-assessments can be triggered only by the issuance of building permits to improve a property, or through the appeal of the city, the school district, or the taxpayer. Appeals by one of those governmental jurisdictions do sometimes occur, but usually only after sufficient market data are available to assure the success of the appellant.

CONCLUSION

The current real estate taxes over the subject equate to a total annual tax liability for the subject of $60,902 or 1.93 per square foot of land area.

HIGHEST AND BEST USE

Under the definition of market value, a rational person seeks to maximize profit. Consistent with that definition, all real property is analyzed under its highest and best use. The highest and best of real estate is that use of the asset that is:

- legally permissable;
- physically possible;
- financially feasible; and
- maximumally productive.

AS VACANT

Legal Permissibility

The first constraint imposed on the possible use of the site is dictated by the private restrictions of deed and the public restrictions of zoning. The subject site is zoned for high-density uses by the City of Philadelphia, which multi-family residential with supporting retail and parking. Thus, a mixed use development of the subject site is legally permissible.

Physical Possibility

As noted in the Site Analysis section of this report, the size and shape of the subject are conducive to a wide variety of developments. All utilities necessary for development are in place, and the soil is assumed to have sufficient load-bearing capacity to support most types of structures. The site has a level topography with good visibility and access.

Compatibility with existing surrounding land uses is also an important physical consideration for a harmonious development. In the Neighborhood Analysis section of this report, we note that the area immediately surrounding and directly influencing the subject to be primarily characterized by a combination of multi-family land and commercial land uses. Thus, from a physical perspective, a multi-family development of the site with complimentary ground floor commercial space and structured parking would be the most homogeneous use of the land that is legally permissible.

Financial Feasibility

After analyzing the legally permissible and physically possible aspects of the site, a particular use must show a positive return on investment or profit above development costs for it to be deemed financially feasible. The Area Analysis section of this report presents demographic and general economic trends that continue to be favorable for real estate ownership. Additionally, as outlined in the Market Analysis section, multi-family development with ancillary parking and complimentary ground floor commercial use is now economically feasible, although there are signs of a weakening national and locally in the housing market. Thus, we conclude that a multi-family development with ancillary parking and complimentary ground floor commercial use of the subject site would be financially feasible supported by a credit worthy sponsor.

Maximum Profitability

Among the financially feasible uses, the use that provides the highest rate of return is the highest and best use of the land. Given the subject's zoning requirements, its physical traits, and the nature of the local real estate market, we conclude multi-family development with supporting retail and parking would be the maximally productive utilization of the land. In our opinion, such a use would yield to ownership the largest return over the longest period of time.

CONCLUSION: HIGHEST AND BEST USE AS VACANT

Based on the foregoing analysis, the highest and best use of the site as though vacant would be demolition of the existing improvements and multi-family development with ancillary parking and complimentary ground floor commercial use when market conditions warrant development under sponsorship of a credit worthy entity.

APPRAISAL METHODOLOGY

In appraisal practice, an approach to value is included or omitted based on its applicability to the property type being valued and the quality and quantity of information available.

COST APPROACH

The cost approach is based upon the proposition that the informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves relatively new improvements that represent the highest and best use of the land, or when it is improved with relatively unique or specialized improvements for which there exist few sales or leases of comparable properties.

SALES COMPARISON APPROACH

The sales comparison approach utilizes sales of comparable properties, adjusted for differences, to indicate a value for the subject. Valuation is typically accomplished using physical units of comparison such as price per square foot, price per unit, price per floor, etc., or economic units of comparison such as gross rent multiplier. Adjustments are applied to the physical units of comparison derived from the comparable sale. The unit of comparison chosen for the subject is then used to yield a total value. Economic units of comparison are not adjusted, but rather analyzed as to relevant differences, with the final estimate derived based on the general comparisons.

INCOME CAPITALIZATION APPROACH

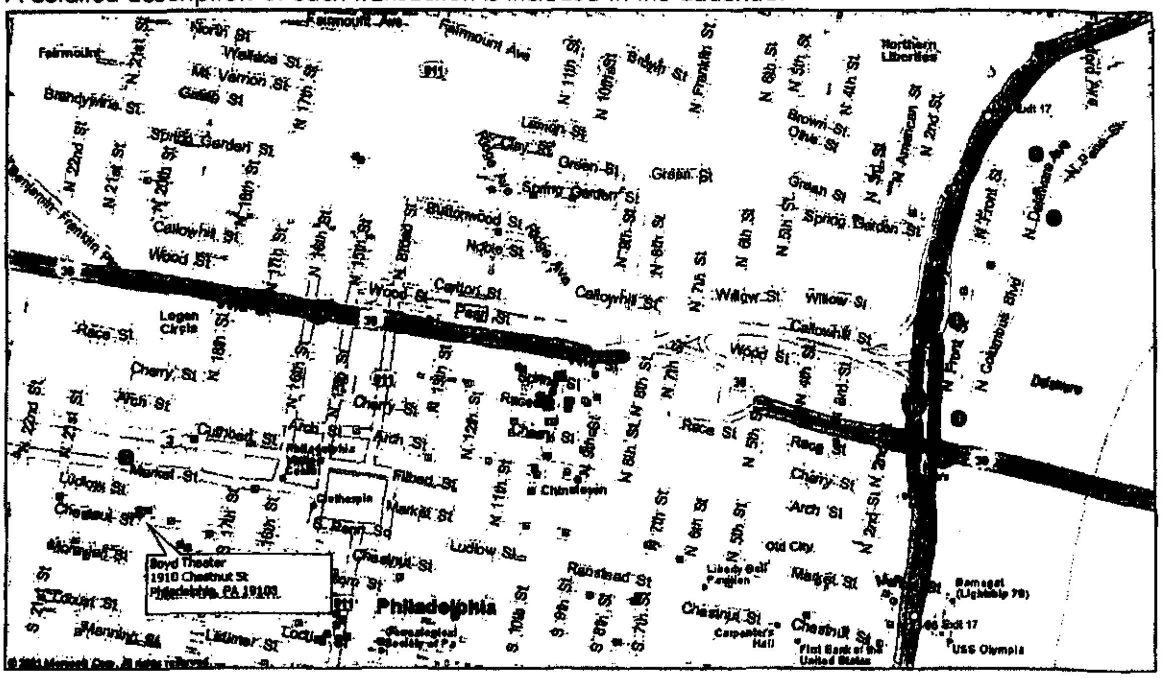
The income capitalization approach reflects the subject's income-producing capabilities. This approach is based on the assumption that value is created by the expectation of benefits to be derived in the future. Specifically estimated is the amount an investor would be willing to pay to receive an income stream plus reversion value from a property over a period of time. The two common valuation techniques associated with the income capitalization approach are direct capitalization and the discounted cash flow (DCF) analysis.

METHODOLOGY APPLICABLE TO THE SUBJECT

In valuing the subject *As Is* only the Sales Comparison Approach has been utilized.

LAND VALUE

The following map and table summarize the comparable data used in the valuation of the subject site. A detailed description of each transaction is included in the addenda.



No.	Property Location	Transaction Type	Transaction Date	Zoning	Sale Price	Size (SF)	Price Per SF
1	29-45 Popular Street 918-980 Delaware Avenue, Philadelphia, PA	Sale	Jan-07	G-2	$26,750,000	128,000	$208.98
2	709-707 N. Penn Street (Pier 35.5), Philadelphia, PA	Sale	Apr-06	C-3 (FAR 4.55x)	$18,000,000	72,804	$247.24
3	230 North Columbus Boulevard, Philadelphia, PA	Sale	Jun-05	C-3	$10,000,000	55,000	$181.82
4	107 Callowhill 108-10 Produce Street, Philadelphia, PA	Sale	May-05	C-3 & C-4	$8,075,000	44,693	$180.68
5	1919-1943 Market Street, Philadelphia, PA	Sale	Mar-05	C-5	$8,900,000	34,850	$255.38
Subject	1908 - 1910 Chestnut Street, Philadelphia, Pennsylvania	---	---	C-4, Commercial	---	31,569	---

Table title: SUMMARY OF COMPARABLE LAND SALES

Compiled by CBRE

DISCUSSION/ANALYSIS OF LAND SALES

The most widely used and market-oriented unit of comparison for a site like the subject is the sale price per square foot of land area. All of the above comparable land sales are summarized on that basis. We then adjust those market data for differences with the subject, as follows:

Land Sale One

This comparable represents 2.94 acres at the northwest corner of Popular Street and Delaware Avenue in the Northern Liberties section of the city. The site has an irregular shape, level topography, and all public utilities. At the time of the sale, the property consisted of vacant land and an industrial building scheduled for demolition at a cost of $250,000. The site was zoned G-2, and unapproved when placed under contract. This property sold in January 2007 for $26,750,000, or $208.98 per square foot. The grantee, at their expense, obtained a zoning change to C-5 and approvals for 2,100,000± square feet of high density mixed use development.

No adjustments were needed for property rights conveyed, financing or conditions of sale. However, due to soft market conditions and more stringent credit issues a downward adjustment was required. An upward adjustment was also necessary for this site's inferior location. An additional upward adjustment was made to this sale for size, due to economies of scale which inure to larger parcels over smaller ones. Overall, a higher unit rate is indicated for the subject.

Land Sale Two

This comparable represents 1.67± acres at 709-707 North Penn Street (Pier 35.5). The site has an irregular shape, level topography, and all public utilities. At the time of the sale, the property was vacant. The site was zoned C-3 and purchased for a proposed high density condominium use. The seller obtained C-3 zoning and the ultimate buyer obtained approvals prior to closing. The buyer reported unusually high costs associated with obtaining approvals at $2,000,000. These costs are reflected in the consideration.

No adjustments were needed for property rights conveyed, financing or conditions of sale. Again, a downward adjustment was made to this sale for market conditions. This site is considered inferior in terms of location and an upward adjustment was necessary. An upward adjustment was also required for size. A downward adjustment was appropriate for approvals. Overall, a lower unit rate is indicated for the subject.

Land Sale Three

This property is located on the west side of Christopher Columbus Boulevard, just north of the Ben Franklin Bridge and adjacent to the on-ramp for Interstate 95 and access and visibility were considered good. This site is zoned C-3 and contains 55,000 square feet of land. The site was purchased for the construction of a 30-story condominium building. However, the site was unapproved at the time of sale. The topography of the site was level and at grade with all utilities available.

No adjustments were needed for property rights conveyed, financing or conditions of sale. In addition, due to the recent softening of the residential market, a downward adjustment was made to this sale for market conditions. Upward adjustments were necessary for this site's inferior location and zoning. A downward adjustment was needed for this site's superior access/visibility, due to its proximity to Interstate 95. Lastly, an upward adjustment was made to this sale for size, due to economies of scale which inure to larger parcels over smaller ones. Overall, a higher unit rate is indicated for the subject.

Land Sale Four

This site is situated at the corner of Callowhill and North Front Streets in the Riverfront section of Northern Liberties. This site contains 44,693 square feet of land and is adjacent to an on-ramp for Interstate 95. At the time of sale, the site was zoned C-3 and C-4, but unapproved. The site is irregular in shape with a level topography and all utilities. Access and visibility are considered good due to the site's proximity to Interstate 95.

A downward adjustment was made to this sale for market conditions. In terms of location, this site was considered inferior and adjusted upward accordingly. Upward adjustments were also necessary for inferior zoning and size. A downward adjustment was appropriate for superior highway access. No other adjustments were apparent for physical traits. Overall, a higher unit rate is indicated for the subject.

Land Sale Five

This site is situated at the northeast corner of 20th and Market Streets. Plans call for the buyer to construct a 30-story residential development, above ground floor retail and a parking garage. However, approvals were not in place at the time of sale. This site is zoned C-5 which permits the greatest density. The site was vacant and ready for development with all utilities available. Access and visibility were considered good.

No adjustments were needed for property rights conveyed, financing or conditions of sale. Again, a downward adjustment was made to this sale for market conditions. This site is considered similar in terms of location and no adjustment was necessary. However, a downward adjustment was required for superior zoning/density. No other adjustments were apparent. Overall, a lower unit rate is indicated for the subject.

SUMMARY OF ADJUSTMENTS

As presented herein, comparable land in the local market sells from $180.68 to $255.38 per square foot. Positive adjustments are made to those comparable land sales that are somehow inferior to the subject site, while negative adjustments are appropriate when some trait of a comparable land sale is superior to that of the subject site. Below is a matrix quantifying our adjustments to those market data.

LAND SALES ADJUSTMENT GRID

Comparable Number	1	2	3	4	5	Subject
Transaction Type	Sale	Sale	Sale	Sale	Sale	---
Transaction Date	Jan-07	Apr-06	Jun-05	May-05	Mar-05	---
Zoning	G-2	C-3	C-3	C-3 & C-4	C-5	C-4,
Sale Price	$26,750,000	$18,000,000	$10,000,000	$8,075,000	$8,900,000	---
Size (Acres)	2.94	1.67	1.26	1.03	0.80	0.72
Size (SF)	128,000	72,804	55,000	44,693	34,850	31,569
Price Per Acre	$9,103,284	$10,770,059	$7,920,165	$7,870,370	$11,125,000	---
Price Per SF	$208.98	$247.24	$181.82	$180.68	$255.38	---
Price ($ PSF)	$208.98	$247.24	$181.82	$180.68	$255.38	
Property Rights Conveyed	0%	0%	0%	0%	0%	
Financing Terms	0%	0%	0%	0%	0%	
Conditions of Sale	0%	0%	0%	0%	0%	
Market Conditions (Time)	-10%	-10%	-5%	-5%	-5%	
Subtotal	$188.09	$222.52	$172.73	$171.64	$242.61	
Location	10%	10%	10%	10%	0%	
Shape	0%	0%	0%	0%	0%	
Access/visibility	0%	0%	-5%	-5%	0%	
Topography	0%	0%	0%	0%	0%	
Utilities	0%	0%	0%	0%	0%	
Zoning/Density	0%	0%	10%	5%	-5%	
Size	10%	5%	5%	5%	0%	
Approvals	0%	-10%	0%	0%	0%	
Total Other Adjustments	20%	5%	20%	15%	-5%	
Value Indication for Subject	$225.70	$233.64	$207.27	$197.39	$230.48	

Compiled by CBRE

CONCLUSION

After making those adjustments, the market data produce value indicators ranging from $197.39 to $233.64 per square foot. In consideration of these adjusted data, we conclude an average market value of about $210.00 to $230.00 per square foot. From within that range, we conclude the following market value for the subject site based on a total land area of 31,569 square feet.

CONCLUDED LAND VALUE

$ PSF		Subject SF		Total
$210.00	x	31,569	=	$6,629,490
$230.00	x	31,569	=	$7,260,870
Indicated Value:				**$7,000,000**
Less: Demolition Costs				**400,000**
Value Conclusion				**6,600,000**
				$209.07 PSF

Compiled by CBRE

ASSUMPTIONS AND LIMITING CONDITIONS

1. Unless otherwise specifically noted in the body of the report, it is assumed that title to the property or properties appraised is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. CBRE is not aware of any title defects nor has it been advised of any unless such is specifically noted in the report. CBRE, however, has not examined title and makes no representations relative to the condition thereof. Documents dealing with liens, encumbrances, easements, deed restrictions, clouds and other conditions that may affect the quality of title have not been reviewed. Insurance against financial loss resulting in claims that may arise out of defects in the subject's title should be sought from a qualified title company that issues or insures title to real property.

2. Unless otherwise specifically noted in the body of this report, it is assumed: that the existing improvements on the property or properties being appraised are structurally sound, seismically safe and code conforming; that all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; that the roof and exterior are in good condition and free from intrusion by the elements; that the property or properties have been engineered in such a manner that the improvements, as currently constituted, conform to all applicable local, state, and federal building codes and ordinances. CBRE professionals are not engineers and are not competent to judge matters of an engineering nature. CBRE has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. Unless otherwise specifically noted in the body of the report: no problems were brought to the attention of CBRE by ownership or management; CBRE inspected less than 100% of the entire interior and exterior portions of the improvements; and CBRE was not furnished any engineering studies by the owners or by the party requesting this appraisal. If questions in these areas are critical to the decision process of the reader, the advice of competent engineering consultants should be obtained and relied upon. It is specifically assumed that any knowledgeable and prudent purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems. Structural problems and/or building system problems may not be visually detectable. If engineering consultants retained should report negative factors of a material nature, or if such are later discovered, relative to the condition of improvements, such information could have a substantial negative impact on the conclusions reported in this appraisal. Accordingly, if negative findings are reported by engineering consultants, CBRE reserves the right to amend the appraisal conclusions reported herein.

3. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property was not observed by the appraisers. CBRE has no knowledge of the existence of such materials on or in the property. CBRE, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

   We have inspected, as thoroughly as possible by observation, the land; however, it was impossible to personally inspect conditions beneath the soil. Therefore, no representation is made as to these matters unless specifically considered in the appraisal.

4. All furnishings, equipment and business operations, except as specifically stated and typically considered as part of real property, have been disregarded with only real property being considered in the report unless otherwise stated. Any existing or proposed improvements, on or off-site, as well as any alterations or repairs considered, are assumed to be completed in a workmanlike manner according to standard practices based upon the information submitted to CBRE This report may be subject to amendment upon re-inspection of the subject subsequent to repairs, modifications, alterations and completed new construction. Any estimate of Market Value is as of the date indicated; based upon the information, conditions and projected levels of operation.

5. It is assumed that all factual data furnished by the client, property owner, owner's representative, or persons designated by the client or owner to supply said data are accurate and correct unless otherwise specifically noted in the appraisal report. Unless otherwise specifically noted in the appraisal report, CBRE has no reason to believe that any of the data furnished contain any material error. Information and data referred to in this paragraph include, without being limited to, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any material error in any of the above data could have a substantial impact on the conclusions reported. Thus, CBRE reserves the right to amend conclusions reported if made aware of any such error. Accordingly, the client-addressee should carefully review

all assumptions, data, relevant calculations, and conclusions within 30 days after the date of delivery of this report and should immediately notify CBRE of any questions or errors.

6. The date of value to which any of the conclusions and opinions expressed in this report apply, is set forth in the Letter of Transmittal. Further, that the dollar amount of any value opinion herein rendered is based upon the purchasing power of the American Dollar on that date. This appraisal is based on market conditions existing as of the date of this appraisal. Under the terms of the engagement, we will have no obligation to revise this report to reflect events or conditions which occur subsequent to the date of the appraisal. However, CBRE will be available to discuss the necessity for revision resulting from changes in economic or market factors affecting the subject.
7. CBRE assumes no private deed restrictions, limiting the use of the subject in any way.
8. Unless otherwise noted in the body of the report, it is assumed that there are no mineral deposit or subsurface rights of value involved in this appraisal, whether they be gas, liquid, or solid. Nor are the rights associated with extraction or exploration of such elements considered unless otherwise stated in this appraisal report. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.
9. CBRE is not aware of any contemplated public initiatives, governmental development controls, or rent controls that would significantly affect the value of the subject.
10. The estimate of Market Value, which may be defined within the body of this report, is subject to change with market fluctuations over time. Market value is highly related to exposure, time promotion effort, terms, motivation, and conclusions surrounding the offering. The value estimate(s) consider the productivity and relative attractiveness of the property, both physically and economically, on the open market.
11. Any cash flows included in the analysis are forecasts of estimated future operating characteristics.are predicated on the information and assumptions contained within the report. Any projections of income, expenses and economic conditions utilized in this report are not predictions of the future. Rather, they are estimates of current market expectations of future income and expenses. The achievement of the financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. Actual results may vary from the projections considered herein. CBRE does not warrant these forecasts will occur. Projections may be affected by circumstances beyond the current realm of knowledge or control of CBRE
12. Unless specifically set forth in the body of the report, nothing contained herein shall be construed to represent any direct or indirect recommendation of CBRE to buy, sell, or hold the properties at the value stated. Such decisions involve substantial investment strategy questions and must be specifically addressed in consultation form.
13. Also, unless otherwise noted in the body of this report, it is assumed that no changes in the present zoning ordinances or regulations governing use, density, or shape are being considered. The property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, nor national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report is based, unless otherwise stated.
14. This study may not be duplicated in whole or in part without the specific written consent of CBRE nor may this report or copies hereof be transmitted to third parties without said consent, which consent CBRE reserves the right to deny. Exempt from this restriction is duplication for the internal use of the client-addressee and/or transmission to attorneys, accountants, or advisors of the client-addressee. Also exempt from this restriction is transmission of the report to any court, governmental authority, or regulatory agency having jurisdiction over the party/parties for whom this appraisal was prepared, provided that this report and/or its contents shall not be published, in whole or in part, in any public document without the express written consent of CBRE which consent CBRE reserves the right to deny. Finally, this report shall not be advertised to the public or otherwise used to induce a third party to purchase the property or to make a "sale" or "offer for sale" of any "security", as such terms are defined and used in the Securities Act of 1933, as amended. Any third party, not covered by the exemptions herein, who may possess this report, is advised that they should rely on their own independently secured advice for any decision in connection with this property. CBRE shall have no accountability or responsibility to any such third party.
15. Any value estimate provided in the report applies to the entire property, and any pro ration or division of the title into fractional interests will invalidate the value estimate, unless such pro ration or division of interests has been set forth in the report.
16. The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. Component values for land and/or buildings are not intended to be used in conjunction with any other property or appraisal and are invalid if so used.

17. The maps, plots, sketches, graphs, photographs and exhibits included in this report are for illustration purposes only and are to be utilized only to assist in visualizing matters discussed within this report. Except as specifically stated, data relative to size or area of the subject and comparable properties has been obtained from sources deemed accurate and reliable. None of the exhibits are to be removed, reproduced, or used apart from this report.

18. No opinion is intended to be expressed on matters which may require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers. Values and opinions expressed presume that environmental and other governmental restrictions/conditions by applicable agencies have been met, including but not limited to seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, licenses, etc. No survey, engineering study or architectural analysis has been made known to CBRE unless otherwise stated within the body of this report. If the Consultant has not been supplied with a termite inspection, survey or occupancy permit, no responsibility or representation is assumed or made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained. No representation or warranty is made concerning obtaining these items. CBRE assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.

19. Acceptance and/or use of this report constitutes full acceptance of the Contingent and Limiting Conditions and special assumptions set forth in this report. It is the responsibility of the Client, or client's designees, to read in full, comprehend and thus become aware of the aforementioned contingencies and limiting conditions. Neither the Appraiser nor CBRE assumes responsibility for any situation arising out of the Client's failure to become familiar with and understand the same. The Client is advised to retain experts in areas that fall outside the scope of the real estate appraisal/consulting profession if so desired.

20. CBRE assumes that the subject analyzed herein will be under prudent and competent management and ownership; neither inefficient or super-efficient.

21. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report.

22. No survey of the boundaries of the property was undertaken. All areas and dimensions furnished are presumed to be correct. It is further assumed that no encroachments to the realty exist.

23. The Americans with Disabilities Act (ADA) became effective January 26, 1992. Notwithstanding any discussion of possible readily achievable barrier removal construction items in this report, CBRE has not made a specific compliance survey and analysis of this property to determine whether it is in conformance 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 ADA. If so, this fact could have a negative effect on the value estimated herein. Since CBRE has no specific information relating to this issue, nor is CBRE qualified to make such an assessment, the effect of any possible non-compliance with the requirements of the ADA was not considered in estimating the value of the subject.

24. Client shall not indemnify Appraiser or hold Appraiser harmless unless and only to the extent that the Client misrepresents, distorts, or provides incomplete or inaccurate appraisal results to others, which acts of the Client proximately result in damage to Appraiser. The Client shall indemnify and hold Appraiser harmless from any claims, expenses, judgments or other items or costs arising as a result of the Client's failure or the failure of any of the Client's agents to provide a complete copy of the appraisal report to any third party. In the event of any litigation between the parties, the prevailing party to such litigation shall be entitled to recover from the other reasonable attorney fees and costs.

25. The report is for the sole use of the client; however, client may provide only complete, final copies of the appraisal report in its entirety (but not component parts) to third parties who shall review such reports in connection with loan underwriting or securitization efforts. Appraiser is not required to explain or testify as to appraisal results other than to respond to the client for routine and customary questions. Please note that our consent to allow an appraisal report prepared by CBRE or portions of such report, to become part of or be referenced in any public offering, the granting of such consent will be at our sole discretion and, if given, will be on condition that we will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to us, by a party satisfactory to us. We do consent to your submission of the reports to rating agencies, loan participants or your auditors in its entirety (but not component parts) without the need to provide us with an Indemnification Agreement and/or Non-Reliance letter.

26. As part of the client's requested scope of work, an estimate of insurable value is provided herein. CBRE has followed traditional appraisal standards to develop a reasonable calculation based upon industry practices and industry accepted publications such as the Marshal Valuation Service handbook. The methodology employed is a derivation of the cost

approach which is primarily used as an academic exercise to help support the market value estimate and therefore is not reliable for Insurable Value estimates. Actual construction costs and related estimates can vary greatly from this estimate.

This analysis should not be relied upon to determine proper insurance coverage which can only be properly estimated by consultants considered experts in cost estimation and insurance underwriting. It is provided to aid the client/reader/user as part of their overall decision making process and no representations or warranties are made by CBRE regarding the accuracy of this estimate and it is strongly recommend that other sources be utilized to develop any estimate of insurable value.

ADDENDA

ADDENDUM A

GLOSSARY OF TERMS

assessed value Assessed value applies in ad valorem taxation and refers to the value of a property according to the tax rolls. Assessed value may not conform to market value, but it is usually calculated in relation to a market value base. †

cash equivalency The procedure in which the sale prices of comparable properties sold with atypical financing are adjusted to reflect typical market terms.

contract rent The actual rental income specified in a lease. ‡

effective rent The rental rate net of financial concessions such as periods of no rent during the lease term; may be calculated on a discounted basis, reflecting the time value of money, or on a simple, straight-line basis. ‡

excess land In regard to an improved site, the land not needed to serve or support the existing improvement. In regard to a vacant site or a site considered as though vacant, the land no needed to accommodate the site's primary highest and best use. Such land may be separated from the larger site and have its own highest and best use, or it may allow for future expansion of the existing or anticipated improvement. *See also* surplus land. ‡

extraordinary assumption An assumption directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information 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. *See also* hypothetical condition. ‡

fee simple estate 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. ‡

floor area ratio (FAR) The relationship between the above-ground floor area of a building, as described by the building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area; also called *building-to-land ratio*. ‡

full service lease A lease in which rent covers all operating expenses. Typically, full service leases are combined with an *expense stop*, the expense level covered by the contract lease payment. Increases in expenses above the expense stop level are passed through to the tenant and are known as expense *pass-throughs*.

going concern value Going concern value is the value of a proven property operation. It includes the incremental value associated with the business concern, which is distinct from the value of the real estate only. Going concern value includes an intangible enhancement of the value of an operating business enterprise which is produced by the assemblage of the land, building, labor, equipment, and marketing operation. This process creates an economically viable business that is expected to continue. Going concern value refers to the total value of a property, including both real property and intangible personal property attributed to the business value. †

gross building area (GBA) The total floor area of a building, including below-grade space but excluding unenclosed areas, measured from the exterior of the walls. Gross building area for office buildings is computed by measuring to the outside finished surface of permanent outer building walls without any deductions. All enclosed floors of the building including basements, mechanical equipment floors, penthouses, and the like are included in the measurement. Parking spaces and parking garages are excluded. ‡

hypothetical condition That which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts 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. *See also* extraordinary assumption. ‡

insurable value Insurable Value is based on the replacement and/or reproduction cost of physical items that are subject to loss from hazards. Insurable value is that portion of the value of an asset or asset group that is acknowledged or recognized under the provisions of an applicable loss insurance policy. This value is often controlled by state law and varies from state to state. †

investment value Investment value is the value of an investment to a particular investor based on his or her investment requirements. In contrast to market value, investment value is value to an individual, not value in the marketplace. Investment value reflects the subjective relationship between a particular investor and a given investment. When measured in dollars, investment value is the price an investor would pay for an investment in light of its perceived capacity to satisfy his or her desires, needs, or investment goals. To estimate investment value, specific investment criteria must be known. Criteria to evaluate a real estate investment are not necessarily set down by the individual investor; they may be established by an expert on real estate and its value, that is, an appraiser. †

leased fee
See leased fee estate

leased fee estate An ownership interest held by a landlord with the right of use and occupancy conveyed by lease to others. The rights of the lessor (the leased fee owner) and the leased fee are specified by contract terms contained within the lease.‡

leasehold
See leasehold estate

leasehold estate The interest held by the lessee (the tenant or renter) through a lease conveying the rights of use and occupancy for a stated term under certain conditions.‡

market rent The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the specified lease agreement including term, rental adjustment and revaluation, permitted uses, use restrictions, and expense obligations. ‡

market value Market value is one of the central concepts of the appraisal practice. Market value is differentiated from other types of value in that it is created by the collective patterns of the market. Market value means 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 and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: 1) A reasonable time is allowed for exposure in the open market; 2) Both parties are well informed or well advised, and acting in what they consider their own best interests; 3) Buyer and seller are typically motivated; 4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and 5) 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.§

marketing period The time it takes an interest in real property to sell on the market subsequent to the date of an appraisal. ‡

net lease Lease in which all or some of the operating expenses are paid directly by the tenant. The landlord never takes possession of the expense payment. In a *Triple Net Lease* all operating expenses are the responsibility of the tenant, including property taxes, insurance, interior maintenance, and other miscellaneous expenses. However, management fees and exterior maintenance are often the responsibility of the lessor in a triple net lease. A *modified net lease* is one in which some expenses are paid separately by the tenant and some are included in the rent.

net rentable area (NRA) 1) The area on which rent is computed. 2) The Rentable Area of a floor shall be computed by measuring to the inside finished surface of the dominant portion of the permanent outer building walls, excluding any major vertical penetrations of the floor. No deductions shall be made for columns and projections necessary to the building. Include space such as mechanical room, janitorial room, restrooms, and lobby of the floor.*

occupancy rate The relationship or ratio between the income received from the rented units in a property and the income that would be received if all the units were occupied.‡

prospective value opinion A forecast of the value expected at a specified future date. A prospective value opinion is most frequently sought in connection with real estate projects that are proposed, under construction, or under conversion to a new us, or those that have not achieved sellout or a stabilized level of long-term occupancy at the time the appraisal report is written. ‡

reasonable exposure time The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective opinion based upon an analysis of past events assuming a competitive and open market. ††

rent
See
full service lease
net lease
market rent
contract, coupon, face, or nominal rent
effective rent

shell rent The typical rent paid for retail, office, or industrial tenant space based on minimal "shell" interior finishes (called plain vanilla finish in some areas). Usually the landlord delivers the main building shell space or some minimum level of interior build-out, and the tenant completes the interior finish, which can include wall, ceiling, and floor finishes; mechanical systems, interior electric, and plumbing. Typically these are long-term leases with tenants paying all or most property expenses. ‡

surplus land Land not necessary to support the highest and best use of the existing improvement but, because of physical limitations, building placement, or neighborhood norms, cannot be sold off separately. Such land may or may not contribute positively to value and may or may not accommodate future expansion of an existing or anticipated improvement. *See also* excess land. ‡

usable area 1) The area actually used by individual tenants. 2) The Usable Area of an office building is computed by measuring to the finished surface of the office side of corridor and other permanent walls, to the center of partitions that separate the office from adjoining usable areas, and to the inside finished surface of the dominant portion of the permanent outer building walls. Excludes areas such as mechanical rooms, janitorial room, restrooms, lobby, and any major vertical penetrations of a multi-tenant floor. •

use value Use value is a concept based on the productivity of an economic good. Use value is the value a specific property has for a specific use. Use value focuses on the value the real estate contributes to the enterprise of which it is a part, without regard to the property's highest and best use or the monetary amount that might be realized upon its sale. †

value indication An opinion of value derived through application of the appraisal process. ‡

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† *The Appraisal of Real Estate*, Twelfth Edition, Appraisal Institute, 2001.

‡ *The Dictionary of Real Estate Appraisal*, Fourth Edition, Appraisal Institute, 2002.

§ Office of Comptroller of the Currency (OCC), 12 CFR Part 34, Subpart C – Appraisals, 34.42 (g); Office of Thrift Supervision (OTS), 12 CFR 564.2 (g); Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 4th ed. (Chicago: Appraisal Institute, 2002), 177-178. This is also compatible with the RTC, FDIC, FRS and NCUA definitions of market value as well as the example referenced in the *Uniform Standards of Professional Appraisal Practice (USPAP)*.

• 2000 BOMA Experience Exchange Report, Income/Expense Analysis for Office Buildings (Building Owners and Managers Association, 2000)

†† *Statement on Appraisal Standard No. 6*, Appraisal Standards Board of The Appraisal Foundation, September 16, 1993, revised June 15, 2004.

ADDENDUM B

LAND SALE DATA SHEETS

MIXED-USE LAND SALE No. 1

Bridgemen's View

Location Data

Location:	29-45 Popular Street Philadelphia,PA 19123
County:	Philadelphia
Assessor's Parcel No:	88-4-019049; 88-4-019087
Atlas Ref:	N/A

Sale Data

Transaction Type:	Sale
Date:	1/2007
Marketing Time:	N/A
Grantor:	Paul Schure Partners/Michael
Grantee:	2945 Popular Development LLC
Document No.:	51618660
Sale Price:	$26,500,000
Financing:	Cash to Seller
Cash Eq.Price:	$26,500,000
Onsite/Offsite Costs:	$250,000
Adj. Sale Price:	$26,750,000
Verification:	Michael Samschick/Marc Stein

Physical Data

Type:	Mixed-Use	
Land Area:	Gross	Usable
Acres:	2.9386	2.9386
Square Feet:	128,000	128,000
Topography:	Level, At Street Grade	
Shape:	Irregular	
Utilities:	All public	
Zoning:	G-2	
Allowable Bldg Area:	2,095,000	
Floor Area Ratio:	16.37	
No. of units:	N/A	
Max FAR:	N/A	
Frontage:	190' Popular Avenue; 465 N. Delaware Avenue	

Analysis

Use At Sale:	Industrial
Proposed Use or Dev.	Mixed Use
Price Per Acre:	$9,103,283
Price Per SF of Land:	$208.98
Price Per Unit:	N/A
Price Per SF of Bldg:	$12.77

Comments

Ownership of 918-980 Delaware Avenue was vested in the name of Paul Schure LMTD Partners. This property was improved with an industrial building slated for demolition at an estimated cost of $250,000. Title to 29-45 Poplar Street was held in the name of Michael Samschick. This site consists of vacant land. We note that both sites were placed under contract of sale in early 2006 to 2945 Poplar Development LLC for a consideration of $27,000,000. The property was placed under contract unapproved. At that time the site was zoned G-2. Equitable ownership subsequently obtained a zoning change to C-5 and approvals at their costs for the construction of a 2,095,000 square foot mixed use project.

MULTI-FAMILY LAND SALE No. 2

Trump Tower

Location Data

Location:	709-707 N. Penn Street (Pier 35.5) Philadelphia,PA 19123
County:	Philadelphia
Assessor's Parcel No:	88-4-018923
Atlas Ref:	N/A

Sale Data

Transaction Type:	Sale
Date:	4/2006
Marketing Time:	N/A
Grantor:	Pier 35-1/2 Partners, LP
Grantee:	VTE Philadelphia, LP
Document No.:	5141-4238
Sale Price:	$16,000,000
Financing:	Cash to Seller
Cash Eq.Price:	$16,000,000
Onsite/Offsite Costs:	$2,000,000
Adj. Sale Price:	$18,000,000
Verification:	Grantee

Physical Data

Type:	Multi-Family	
Land Area:	Gross	Usable
Acres:	1.6713	1.6713
Square Feet:	72,804	72,804
Topography:	Level, At Street Grade	
Shape:	Rectangular	
Utilities:	All public	
Zoning:	C-3 (FAR 4.55x)	
Allowable Bldg Area:	327,618	
Floor Area Ratio:	4.50	
No. of units:	N/A	
Max FAR:	5	
Frontage:	N. Penn Street;	

Analysis

Use At Sale:	Industrial
Proposed Use or Dev.	Condominium
Price Per Acre:	$10,770,059
Price Per SF of Land:	$247.24
Price Per Unit:	N/A
Price Per SF of Bldg:	$54.94

Comments

This comparable represents the proposed Trump Tower. The seller obtained C-3 zoning based upon a rough sketch, and the ultimate buyer obtained approvals prior to closing. The buyer reported reported unusually high costs associated with obtaining approvals at $2,000,000. The site has approvals to be developed to a FAR of 327,618 square feet of gross building area.

CBRE
CB RICHARD ELLIS

MIXED-USE LAND SALE No. 3

Marina View Site

Location Data

Location:	**230 North Columbus Boulevard**
	Philadelphia,PA 19106
County:	**Philadelphia**
Assessor's Parcel No:	**N/A**
Atlas Ref:	**N/A**

Physical Data

Type:	**Mixed-Use**	
Land Area:	**Gross**	**Usable**
Acres:	**1.2626**	**1.2626**
Square Feet:	**55,000**	**55,000**
Topography:	**Level, At Street Grade**	
Shape:	**Irregular**	
Utilities:	**All public**	
Zoning:	**C-3**	
Allowable Bldg Area:	**N/A**	
Floor Area Ratio:	**N/A**	
No. of units:	**182**	
Max FAR:	**4**	
Frontage:	**N/A;**	

Sale Data

Transaction Type:	**Sale**
Date:	**6/2005**
Marketing Time:	**N/A**
Grantor:	**Summer Delaware Ass; Winter**
Grantee:	**Delaware River Development**
Document No.:	**N/A**
Sale Price:	**$10,000,000**
Financing:	**Cash to Seller**
Cash Eq.Price:	**$10,000,000**
Onsite/Offsite Costs:	**$0**
Adj. Sale Price:	**$10,000,000**
Verification:	**Michael Asbell, Principal**

Analysis

Use At Sale:	**Industrial**
Proposed Use or Dev.	**Condominium**
Price Per Acre:	**$7,920,164**
Price Per SF of Land:	**$181.82**
Price Per Unit:	**$54,945**
Price Per SF of Bldg:	**N/A**

Comments

This property is located on the west side of Christopher Columbus Boulevard, just north of the Ben Franklin Bridge. At the time of sale the site was unapproved and improved with an industrial building. Demolition costs were unavailable.

Plans call for a 30-story luxury condominium building containing 182 units on this 1.26-acre site. These units will feature bamboo hardwood flooring, marble master baths, floor-to-ceiling windows, an outdoor swimming pool, plus a rooftop swimming pool and health club. This is one of three towers proposed by Louis Cicalese of the Delaware River Development Group. The other two projects are proposed for Pier 34, south of Penns Landing and at Pier 40. Floor plans at Marina View Towers will include one, two and three bedroom layouts. Pricing and final unit sizes are still in flux, but initial plans indicate pricing starting at $400,000 for a 866 square foot one-bedroom unit ($461 per square foot) increasing to $2,000,000 for the penthouse. This building will also contain 15,000 square feet of commercial space.

MIXED-USE LAND SALE No. 4

412-38 North Front Street

Location Data

Location:	107 Callowhill Philadelphia,PA 19123
County:	
Assessor's Parcel No:	55015600
Atlas Ref:	N/A

Physical Data

Type:	Mixed-Use	
Land Area:	Gross	Usable
Acres:	1.0260	1.0260
Square Feet:	44,693	44,693
Topography:	Level, At Street Grade	
Shape:	Irregular	
Utilities:	All public	
Zoning:	C-3 & C-4	
Allowable Bldg Area:	201,063	
Floor Area Ratio:	4.50	
No. of units:	128	
Max FAR:		
Frontage:	311 West side of North Front Street;	

Sale Data

Transaction Type:	Sale
Date:	5/2005
Marketing Time:	N/A
Grantor:	Bennett and Linda Levin
Grantee:	412 North front Associates, LC
Document No.:	N/A
Sale Price:	$8,000,000
Financing:	Not Available
Cash Eq.Price:	$8,000,000
Onsite/Offsite Costs:	$75,000
Adj. Sale Price:	$8,075,000
Verification:	Phil Mc Fllin for grantee

Analysis

Use At Sale:	Industrial
Proposed Use or Dev.	Mixed Use
Price Per Acre:	$7,870,370
Price Per SF of Land:	$180.68
Price Per Unit:	$63,086
Price Per SF of Bldg:	$40.16

Comments

Title to the property is currently vested in the name of 412 North Front Associates, LC who acquired title to the property in May 2005 As Is for $8,000,000, cash from Bennett Levin and Linda Levin Silverberg. The site was originally placed under contract in November 2004 "As Is". Prior to the sale the buyer, at their own costs, secured approvals for the construction of a 21-story high rise condominium project containing 164,637 square feet of residential space in 128 units, 9,546 square feet of ground floor commercial space and 177 parking spaces for a total allowable building area of 201,063. At the time of sale, the site was improved with a one-story industrial building scheduled for demolition. The estimated demolition costs were $75,000. Therefore the total consideration was $8,075,000.

MIXED-USE LAND SALE No. 5

1919-1943 Market Street

Location Data

Location:	**1919-1943 Market Street** **Philadelphia,PA 19103**
County:	**Philadelphia**
Assessor's Parcel No:	**88-3034400**
Atlas Ref:	**N/A**

Physical Data

Type:	**Mixed-Use**	
Land Area:	**Gross**	**Usable**
Acres:	**0.8000**	**0.8000**
Square Feet:	**34,850**	**34,850**
Topography:	**Level, At Street Grade**	
Shape:	**Rectangular**	
Utilities:	**All public**	
Zoning:	**C-5**	
Allowable Bldg Area:	**402,672**	
Floor Area Ratio:	**11.55**	
No. of units:	**N/A**	
Max FAR:	**12**	
Frontage:	**205 Ns Market St.; 170 Es 20th St.**	

Sale Data

Transaction Type:	**Sale**
Date:	**3/2005**
Marketing Time:	**N/A**
Grantor:	**1919 Trust**
Grantee:	**Opus Development**
Document No.:	**N/A**
Sale Price:	**$8,900,000**
Financing:	**Cash to Seller**
Cash Eq.Price:	**$8,900,000**
Onsite/Offsite Costs:	**$0**
Adj. Sale Price:	**$8,900,000**
Verification:	**Property Appraiser**

Analysis

Use At Sale:	**Vacant**
Proposed Use or Dev.	**Condo & garage**
Price Per Acre:	**$11,125,000**
Price Per SF of Land:	**$255.38**
Price Per Unit:	**N/A**
Price Per SF of Bldg:	**$22.10**

Comments

This site is situated at the northeast corner of 20th and Market Streets. The site is subject to cross easements and development agreements with the Blue Cross office tower, which adjoins the eastern boundary line of the site. Preliminary plans indicate the buyer will construct a 30-story residential development above ground floor retail and a parking garage. However, approvals were not in place at the time of sale, although the site was vacant and ready for development. The property had been previously foreclosed, and was the subject of extensive litigation.

ADDENDUM C

ZONING MAP

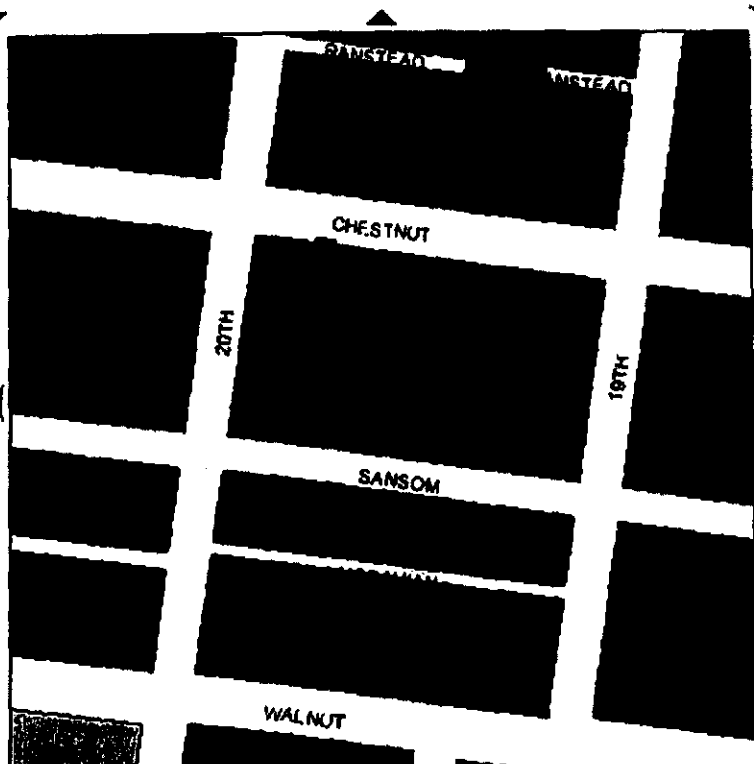
Philadelphia Zoning

Print | Zoning Code | Pending Legislation

Enter Address: 1910 CHESTNUT ST — Change Address — Council District

Scale: 1" = 200' (1 : 2400)

Zoning Info | Measure



zoom in

zoom out

Address: 1910 CHESTNUT S
Zoning: C4

Center City Commercial Area Special Controls
14-1607

Center City Commercial Area Special Controls
14-1607.1

Real Estate signs
14-1902(3)

Chestnut St.(b)
14-1902(4)b

ATTENTION: This report represents an the zoning restrictions that may apply to property and does not represent a zonin or decision. For a definitive zoning decis must contact Licenses and Inspections.

ADDENDUM D

PRÉCIS METRO REPORT - ECONOMY.COM, INC.

PHILADELPHIA

LIFE CYCLE PHASE
Mature/Decline

VITALITY
256
4th quintile

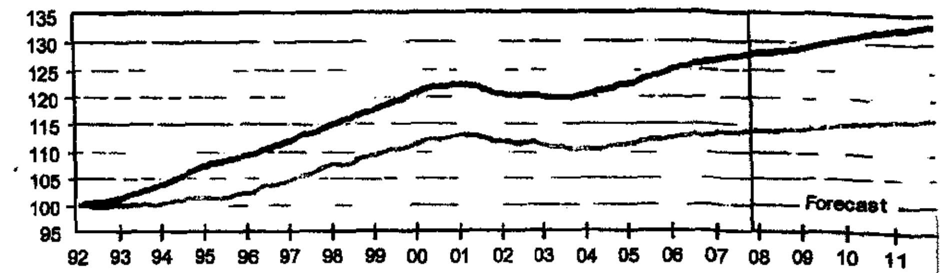
267

COST OF DOING BUSINESS
U.S.=100% 119%

314

COST OF LIVING
U.S.=100% 103%

Relative Employment Performance (1992=100)



DataBuffet® MSA code: *DMPHI*

2000	2001	2002	2003	2004	2005	2006	Indicators	2007	2008	2009	2010	2011
138.0	141.6	144.1	146.8	149.2	150.8	153.7	**Gross Metro Product, C$B**	157.1	159.8	164.4	168.6	172.1
0.8	*2.6*	*1.8*	*1.9*	*1.6*	*1.1*	*2.0*	***% Change***	*2.2*	*1.7*	*2.8*	*2.6*	*2.1*
1,894.2	1,900.3	1,885.4	1,870.0	1,869.5	1,890.0	1,904.7	**Total Employment (000)**	1,917.1	1,923.3	1,934.2	1,950.1	1,961.1
1.7	*0.3*	*-0.8*	*-0.8*	*-0.0*	*1.1*	*0.8*	***% Change***	*0.7*	*0.3*	*0.6*	*0.8*	*0.6*
4.1	4.6	5.5	5.6	5.4	4.9	4.7	**Unemployment Rate**	4.3	4.8	4.6	4.5	4.4
7.7	2.2	3.4	3.4	5.3	4.3	6.2	**Personal Income Growth**	5.4	2.8	2.9	3.3	3.0
3,851.9	3,853.4	3,856.8	3,859.3	3,864.9	3,867.0	3,873.6	**Population (000)**	3,880.5	3,885.5	3,889.3	3,892.0	3,893.4
9,041	8,179	8,666	7,994	8,348	8,236	6,819	**Single-Family Permits**	5,921	5,535	5,652	6,112	6,459
2,311	2,105	1,595	3,698	4,335	3,959	2,854	**Multifamily Permits**	3,199	2,321	2,300	2,256	2,341
116.1	128.1	142.0	164.1	177.6	205.7	223.7	**Existing Home Price ($Ths)**	229.7	215.8	223.4	236.4	247.2
12,651	23,033	80,201	52,880	31,898	33,784	30,320	**Mortgage Originations ($Mil)**	26,098	19,223	23,073	26,478	26,977
4.7	-5.8	-4.1	-5.1	-4.7	-6.8	-7.8	**Net Migration (000)**	-6.5	-8.5	-9.9	-11.2	-12.7
15,888	17,846	18,287	18,691	17,104	19,522	5,772	**Personal Bankruptcies**	6,941	9,048	9,854	10,599	11,003

STRENGTHS & WEAKNESSES

STRENGTHS

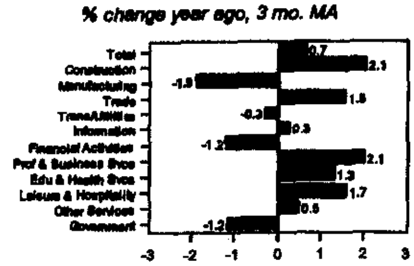
- Concentration of well-regarded educational institutions.
- Center for health services and medical research.
- Relatively affordable housing and living costs.
- Well-developed port.

WEAKNESSES

- Weak population growth.
- Lower per capita income than other large Northeast metro areas.
- Old and aging infrastructure.

CURRENT EMPLOYMENT TRENDS

December 2007 Employment Growth
% change year ago, 3 mo. MA



FORECAST RISKS

-1.28%

UPSIDE

- New office space attracts more employers.
- Tax incentive for filmmakers draws the industry to Philadelphia.

DOWNSIDE

- A decline in house prices, causing a reduction in household wealth.
- Tight credit conditions hurt financial services and lead to substantial layoffs.
- Political red tape continues to delay construction of casino.

ANALYSIS

Recent Performance. Following a midyear lull, the Philadelphia economy rebounded in the second half of 2007. The pace of hiring, however, remains lackluster and is well below the national average. PHI is combating layoffs in financial services and manufacturing and a downshift in hiring in its core sectors such as education and healthcare. Strong growth in retail trade is helping put a floor under job growth, but this support is unsustainable as consumer spending is slowing on the back of below average job growth and more difficult macroeconomic conditions.

The housing market correction is running its course. Single-family permitting activity is showing signs of stabilizing, albeit near levels not seen since the early 1990s. House-price growth is decelerating while mortgage credit quality is eroding rapidly.

Credit concerns. Global financial market tightening will not derail PHI's expansion, but it is leaving a mark. PHI is not overly exposed to subprime lending, although it is home to many firms that are tied to financial markets, including banks, consulting businesses, and law and accounting firms. Since global financial markets froze last August, the financial services sector in PHI has cut over 1,600 positions, bringing its year-to-date total to 2,600. The Federal Reserve's January Beige Book suggests that conditions will not improve as respondents expect slow growth in total lending, foreshadowing additional layoffs in the financial services sector. As payroll cuts in the industry will not bottom out until mid-2008, the burden of keeping job growth positive will rest on PHI's other core sectors, namely education/healthcare and business/professional services.

Commercial real estate. To date, commercial real estate has lent key support to the PHI economy, but strong downside risks could cause this support to wane. Although local homebuilders are pulling back on projects, layoffs in the construction industry have been absent, in part due to some workers shifting to commercial work on office or institution work underway, especially in Center City. The overall commercial vacancy rate in PHI has been declining steadily since 2004, and with no additional space slated to come on line until 2010, office vacancy rates in Center City will edge lower. However, the outlook comes with a number of risks, namely weaker corporate profit growth, fragile business confidence and a local or national recession.

Tourism. While the housing market is weighing on economic growth, PHI is benefiting from strong tourism activity. The weak dollar has provided some support to PHI's tourism and retail industries over the past few years. According to Smith Travel, hotel vacancy rates averaged 69%, essentially unchanged from the previous four years but above their historical average of 67%. Also, payroll employment in leisure/hospitality is at a historic high. With tourism relatively strong in PHI, several new hotels are planned. The outlook is cautiously optimistic for the leisure/hospitality industry as it will be buoyed by a weak dollar and the gradual opening of casinos.

The Philadelphia economy will struggle in the first half of this year due to layoffs in financial services, retail trade, and housing-related industries. Although the pace of job cuts in manufacturing will gradually slow, the industry's presence will diminish further as PHI continues to make strides in shifting toward a service-based economy. Steady business/professional services and education/healthcare hiring will keep the labor market afloat. Longer term, impediments to growth include PHI's above average living and business costs and weak demographic trends. In sum, PHI is expected to be an underperformer over the extended forecast horizon.

Ryan Sweet
January 2008

EMPLOYMENT & INDUSTRY

TOP EMPLOYERS

Jefferson Health System	25,780
University of Pennsylvania	23,311
Merck & Company, Inc.	12,000
University of Pennsylvania Health System	11,906
Boeing Corporation	9,500
The Vanguard Group of Investment Cos., Inc.	8,500
Mercy Health Care System	8,000
Temple University Health System	8,000
Main Line Health System	7,944
Children's Hospital of Pennsylvania	7,885
Crozer-Keystone Health Systems	7,100
Tenet Health Systems	6,021
Urban Outfitters Inc.	6,000
Comcast/Spectacor	5,955
U.S. Airways	5,300
Temple University	5,227
Drexel University	5,160
Thomas Jefferson University	5,062

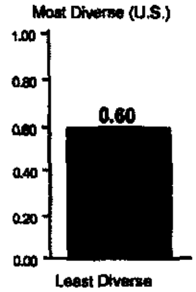
Sources: Guide to Military Installations, 2007, and Philadelphia Business Journal Book of Lists, 2007

Public

Federal 43,184
State 22,704
Local 151,446

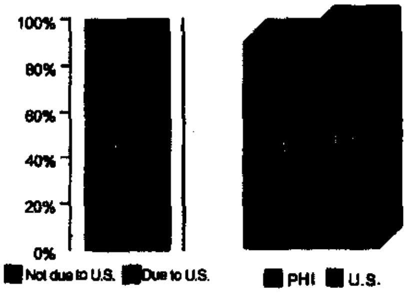
2006

INDUSTRIAL DIVERSITY



EMPLOYMENT VOLATILITY

DUE TO U.S. FLUCTUATIONS / RELATIVE TO U.S.



MIGRATION FLOWS

Into Philadelphia, PA	Number of Migrants
New York, NY	7,039
[redacted]	
Wilmington, DE	4,332
[redacted]	
Allentown, PA	2,423
[redacted]	
Trenton, NJ	2,271
[redacted]	
Washington, DC	1,797
[redacted]	
Total Inmigration	88,625

From Philadelphia, PA	
Camden, NJ	8,715
[redacted]	
New York, NY	4,822
[redacted]	
Allentown, PA	2,990
[redacted]	
Edison, NJ	2,582
[redacted]	
Atlanta, GA	[redacted]
[redacted]	
Total Outmigration	102,290

Net Migration	-13,665

Net Migration, PHI

	2003	2004	2005	2006
Domestic	-15,748	-14,545	-17,220	-18,027
Foreign	10,666	9,818	10,412	10,456
Total	-5,082	-4,727	-6,808	-7,571

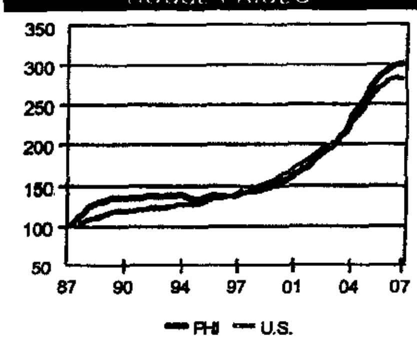
Sources: IRS (top), 2006; Census Bureau, 2006

COMPARATIVE EMPLOYMENT AND INCOME

Sector	% of Total Employment PHI	PA	US	Average Annual Earnings PHI	PA	US
Construction	4.0%	4.5%	5.6%	$66,720	$49,318	$47,221
Manufacturing	8.2%	11.7%	10.4%	$84,368	$67,580	$68,318
Durable	*51.6%*	*61.8%*	*63.4%*	*nd*	*$65,708*	*$69,250*
Nondurable	*48.4%*	*38.2%*	*36.6%*	*nd*	*$69,613*	*$66,721*
Transportation/Utilities	3.2%	4.0%	3.7%	$60,731	$55,436	$55,322
Wholesale Trade	4.5%	4.1%	4.3%	$80,812	$65,032	$64,921
Retail Trade	10.4%	11.4%	11.3%	$30,586	$25,491	$27,345
Information	2.1%	1.9%	2.2%	$85,117	$70,507	$80,729
Financial Activities	7.7%	5.8%	6.1%	$70,499	$52,643	$52,912
Prof. and Bus. Services	15.2%	11.8%	12.9%	$69,061	$54,197	$51,017
Educ. and Health Services	20.6%	18.3%	13.1%	$47,314	$42,268	$41,006
Leisure and Hosp. Services	7.8%	8.5%	9.6%	$22,316	$17,534	$19,783
Other Services	4.5%	4.5%	4.0%	$28,030	$23,937	$23,438
Government	11.4%	13.0%	16.1%	$62,026	$53,055	$55,340

Sources: Percent of total employment - Moody's Economy.com & BLS, 2006; Average annual earnings - BEA, 2005

HOUSE PRICES



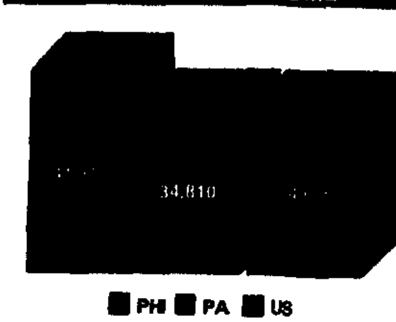
Source: OFHEO, 1987Q1=100, NSA

LEADING INDUSTRIES

NAICS	Industry	Employees (000)
GVSL	State & Local Government	174.2
6221	General Medical and Surgical Hospitals	80.3
6113	Colleges, Universities & Professional Schools	67.5
7221	Full-Service Restaurants	50.4
GVF	Federal Government	43.2
4451	Grocery Stores	39.5
7222	Limited-Service Eating Places	38.3
6211	Offices of Physicians	32.3
5617	Services to Buildings and Dwellings	31.8
5511	Management of Companies and Enterprises	30.7
5241	Insurance Carriers	30.3
5613	Employment Services	29.4
5411	Legal Services	27.6
5415	Computer Systems Design and Related Srvcs.	26.9
2382	Building Equipment Contractors	25.6
	High-tech employment	117.5
	As % of total employment	6.1

Sources: BLS, Moody's Economy.com, 2006

PER CAPITA INCOME



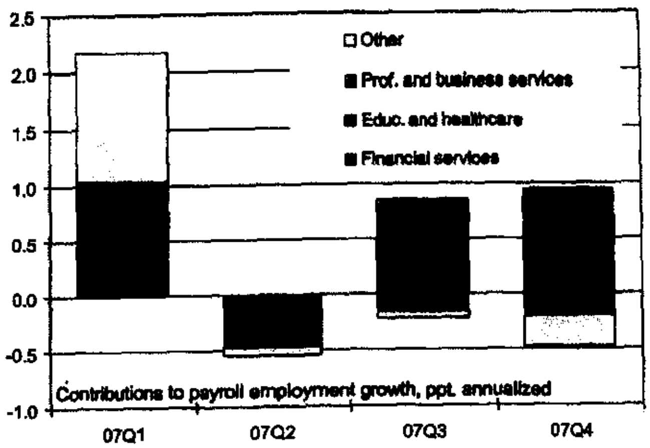
Source: Bureau of Economic Analysis, 2005

CREDIT QUALITY

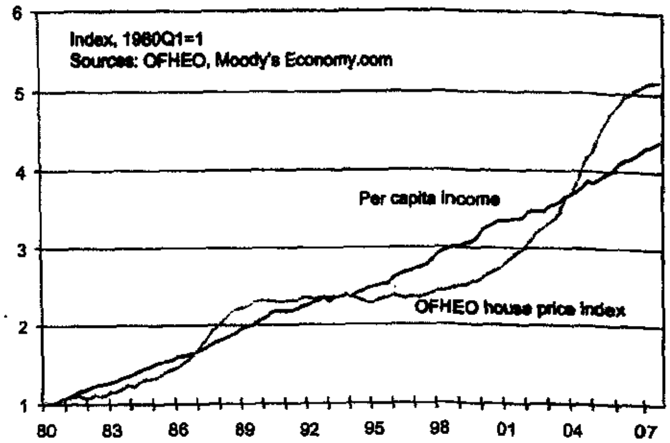
MOODY'S RATING	Baa1	CITY

Philadelphia

Most of Philadelphia's Eggs Are in Healthcare's Basket

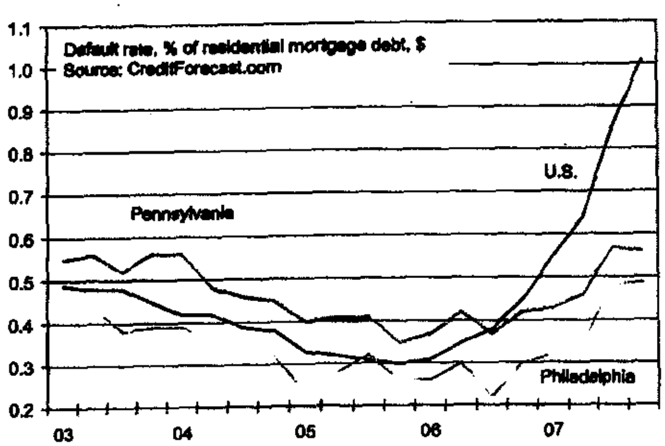


Gap Between Incomes and House Prices Not Too Alarming

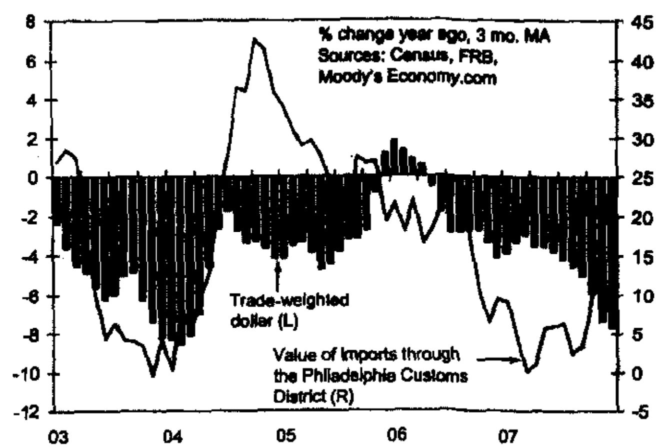


For nearly a decade, income growth outpaced house prices, raising Philadelphians' purchasing power for houses. This has since reversed, but the gap is not alarming as tighter lending standards nationally and slower job growth across the metro division will take another bite out of housing demand. In turn, house prices will further decline. From peak to trough, median house prices will fall nearly 9% in PHI, compared to 15% nationally. The decline in prices will help restore and secure PHI's cost advantage compared to other large northeastern metro areas.

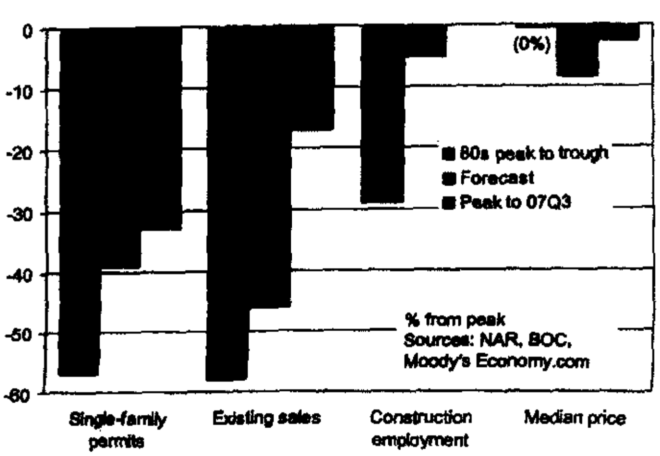
Philadelphia's Low Exposure to Subprime Mortgages Pays Off



Falling Dollar Bodes Ill for Imports



Philadelphia's Housing Market Yet to Hit Bottom



The ongoing depreciation of the dollar is weighing on import trade. Import growth through the Philadelphia Customs District, which includes the Port of Philadelphia, has slowed appreciably since 2005. Slower import growth reduces demand for warehousing space and transportation in PHI. While the weak dollar is a boon for export trade, exports only comprise 20% of all trade activity in the customs district. In the near term, import growth will remain modest. While the dollar is expected to stabilize vis-à-vis the euro and pound, it will continue to depreciate against the Asian currencies. Therefore, hiring in the trade-sensitive transportation and warehousing sectors is expected to slow over the course of this year.

ADDENDUM E

QUALIFICATIONS

QUALIFICATIONS OF

JOSEPH T. MURRAY
Senior Appraiser

CB RICHARD ELLIS, INC.
Valuation & Advisory Services
50 South Sixteenth Street – Suite 3000
Philadelphia, Pennsylvania 19102
215-561-8966
joseph.murray@cbre.com

FORMAL EDUCATION

Temple University, Philadelphia, Pennsylvania
Appraisal Institute, Chicago, Illinois
- Appraisal Principles
- Appraisal Procedures
- Uniform Standards of Professional Appraisal Practice
- Basic Income Capitalization
- Advanced Income Capitalization
- General Market Analysis and Highest & Best Use

PROFESSIONAL AFFILIATIONS

Appraisal Institute – Affiliate

REAL ESTATE EXPERIENCE

2003 – Present	CB Richard Ellis, Inc.	Philadelphia, Pennsylvania
1998 – 2003	Insignia/ESG, Inc.	Philadelphia, Pennsylvania
1988 – 1998	Jackson-Cross Company	Philadelphia, Pennsylvania

QUALIFICATIONS OF

JOHN B. RUSH, MAI, CRE
Managing Director

CB RICHARD ELLIS, INC.
Valuation & Advisory Services
50 South Sixteenth Street – Suite 3000
Philadelphia, Pennsylvania 19102
215-561-8926
john.rush@cbre.com

FORMAL EDUCATION

Saint Joseph's University, Philadelphia, Pennsylvania, Bachelor of Arts – 1975
Drexel University, Philadelphia, Pennsylvania, Master of Business Administration – 1982

LICENSES AND CERTIFICATES

Delaware Certified General Real Property Appraiser - #X1-0000051
Maryland Certified General Real Estate Appraiser - #10041
New Jersey Certified General Real Estate Appraiser - #RG-000808
Pennsylvania Certified General Real Estate Appraiser – #GA-000331-L
Pennsylvania Licensed Real Estate Broker - #AB-043144A

PROFESSIONAL AFFILIATIONS

Appraisal Institute – MAI Designation #7261
Urban Land Institute – Associate #164089
Counselors of Real Estate – CRE Designation #1949
Tri-State Commercial & Industrial Association of Realtors

REAL ESTATE EXPERIENCE

2003 – Present	CB Richard Ellis, Inc.	Philadelphia, Pennsylvania
1998 – 2003	Insignia/ESG, Inc.	Philadelphia, Pennsylvania
1997 – 1998	Jackson-Cross Valuation Consultants, LTD	Philadelphia, Pennsylvania
1980 – 1997	Cushman & Wakefield of Pennsylvania, Inc.	Philadelphia, Pennsylvania
1977 – 1979	Boyle/Helbig Realty, Inc.	Philadelphia, Pennsylvania
1975 – 1977	Michael Singer Real Estate	Philadelphia, Pennsylvania

QUALIFIED EXPERT WITNESS

United States Bankruptcy Court
Delaware County Court of Common Pleas
Berks County Board of Assessment Appeals
Cumberland County Board of Assessment Appeals
Delaware County Board of Assessment Appeals
Philadelphia Board of Revision of Taxes
Dauphin County Court of Common Pleas
Chester County Court of Common Pleas
Bucks County Board of Assessment Appeals
Dauphin County Board of Assessment Appeals
Montgomery County Board of Assessment Appeals

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Commonwealth of Pennsylvania
Department of State
Bureau of Professional and Occupational Affairs
PO Box 2649 Harrisburg PA 17105-2649

Certificate Type
Certified General Appraiser

Certificate Status
Active

Initial Certification Date
09/10/1991

JOHN BENJAMIN RUSH
325 POWDER HORN ROAD
FORT WASHINGTON PA 19034

Certificate Number
GA000331L

Expiration Date
06/30/2009

Commissioner of Professional and Occupational Affairs

Signature