

DEVELOPMENT PROPOSAL - LUXURY HIGH-RISE APARTMENT PROJECT

MIDTOWN MANHATTAN (NEW YORK, NY)

by
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Section 1: Executive Summary

EXECUTIVE SUMMARY

309 Fifth Avenue ("The Project" or "The Property") is a proposed development that will consist of 163 residential rental units and 12,750 sf of prime retail space in Midtown Manhattan (New York City). The all-in development budget is \$105,038,000 (\$644,405 per unit; \$857 psf). The Project is expected to produce a leveraged IRR over the assumed 5-year holding period of approximately 19%. Under terms of the proposed transaction, a qualified equity investor ("Investor") will form a joint-venture ("JV") with KDK Development Partners ("KDK") to acquire the site and develop the Project. KDK will serve as General Partner ("GP") of the JV and will be responsible for the day-to-day operations of the Project, as well as completion and cost over-runs up to the amount of its development fee.

On behalf of the JV, KDK will secure a Guaranteed Maximum Price ("GMP") construction contract based on a final design and project scope acceptable to the Investor. KDK has already commenced the pre-development stage of the Project and is currently anticipating receipt of the GMP by July 2012.

309 FIFTH AVENUE				
Address:	309 Fifth Avenue, New York, NY 10016			
Class:	A			
Residential Units:	163			
Project Size (sf):	109,872 sf residential and 12,750 sf retail (6,350 sf street level and 6,400 sf basement level); 122,622 sf total NRA			
Site Area:	8,400 sf; 0.2 acres			
FAR:	141,136 sf (inclusive of additional density allowable due to purchased air rights)			
Buildings:	1			
Stories:	34			
Parking:	None			
Construction Completion Date:	September 2014			
Proposed Investors:	TBD			
Developer:	KDK Development Partners ("KDK")			
Critical Dates:	Closing: March 2012 Construction Commencement: September 2012			
Investment:		Total	PSF	Per Unit
	Land	\$32,000,000	\$261*	\$196,319
	Closing Costs/Due Diligence	1,500,000	12	9,202
	Hard Costs	53,623,000	434	326,767
	Soft & Financing Costs	18,275,000	149	112,117
	Total Development Budget	\$105,038,000	\$857	\$644,405
Proposed Capitalization		\$ Amount	Pct (%)	PSF
	Debt	\$67,850,000	64.6%	\$554
	Investor Equity	33,469,000	31.9%	273
	Sponsor Equity	3,719,000	3.5%	30
	TOTAL	105,038,000	100%	\$857
Projected Income:	NOI (Year 4)	\$7,060,916		
Unleveraged Return on Investment:	(Year 4)	7.1%		
Leveraged Cash on Cash:	(Year 4)	7.6%		
Unleveraged IRR:	5-Year	13.6%		
Leveraged IRR:	5-Year	19.0%		

* Land basis of \$261 psf is per the net rentable area of the building (122,622 sf), not the total allowable FAR of 141,136 sf.

Investment Summary

The proposed Project is a Class A, institutional-quality, high-rise apartment development in one of the most desired apartment markets in the United States, New York City. The Property is well-located to capture the anticipated increase in apartment rental demand as it is just one block from a major subway hub on Broadway and 32nd Street and has immediate proximity to amenities, employment and nightlife. The development and construction of the Property will be executed by an experienced project team including KDK as developer, Lend Lease ("Lend Lease") as General Contractor, and SLCE Architects ("SLCE").

The Property site is currently owned by 309 Fifth Owners LLC, an entity controlled by an individual Land Owner. This Land Owner is not a real estate professional but attempted to become a developer in the hot market of 2005/2006. Now that land values have made some recovery and he is able to sell the site for a price that will yield him some return of equity above his current mortgage balance (approximately \$28m), he is motivated to sell. Construction technically commenced on the site in late 2007. The building formerly occupying the site (an 11-story office building) was demolished and a new foundation was partially completed prior to construction being halted in early 2008 due to the market downturn. The original plan for the Project was a Hotel/Condo tower similar in size and height to plans for the Property. The sponsor of the deal, KDK, has entered into an exclusive Letter of Intent with the Land Owner wherein they will sell the land to KDK for \$32.0 million.

Timeline

Below is the projected order of key milestone events to be accomplished in the lifecycle of this Project:

- Joint Venture formation and land closing (March 2012)
- Final Design and GMP approval, execution of Contract with Lend Lease (August 2012)
- Construction Commencement (September 2012)
- Project Completion (September 2014)
- Stabilization (March 2015)
- Projected Sale Date (February 2017)

Investment Rationale

The proposed Project is compelling for the following key reasons:

- **High Barriers to Entry:** Relative to other markets, the Manhattan multi-family market poses somewhat unique challenges with its combination of limited land availability, complex site conditions, and higher construction and development costs.

- **Real Estate Tax Abatement:** 309 Fifth Avenue is eligible for 421a tax abatement because construction was started on the site prior to June 2008. The 421a tax abatement program has been discontinued except for sites such as 309 Fifth Avenue that are “grandfathered” into the program. The 421a tax abatement program freezes real estate taxes due for the Property to a payment based on the current assessed value of the land. The current taxes are approximately \$229,000 per year. Once the Property is stabilized, the taxes will begin to phase in at a rate of 20% of the full tax rate every two years until the Property reaches 100%.
- **Attractive Site Components:** The foundation for the proposed high-rise has already been poured, mitigating some early-stage construction risks. In addition to these construction risk and cost advantages, 309 Fifth Avenue has an attractive land basis of \$261 psf FAR. The total allowable FAR on the site is 141,136 sf. This high density FAR is possible due to the air rights that the Land Owner has purchased from some adjacent building owners. For the sake of clarity, the \$261 psf land basis that is referenced throughout this document is reflective of the basis per net rentable area (122,622 sf). Finally, the building will contain 100% market-rate apartments since the affordable housing requirement due under the 421a tax abatement has already been satisfied through an off-site transaction by the Land Owner. This lack of an affordable housing requirement is a valuable rarity that is unlikely to be found in the majority of other 421a-eligible development sites.
- **Design:** The Property will have a modern, functional, and innovative design provides amenities and features that are well-matched to its intended demographic. The design will focus expenditures on the details and finishes that are most desirable to users. This will help 309 Fifth Avenue out-perform the competition.
- **Cost Basis:** The construction timing relative to current pricing levels provides an attractive opportunity to build at a total cost expected to be at or near historic lows, locking in competitive structural return advantages.
- **Market Fundamentals:** Market characteristics in the New York City multi-family market continue to demonstrate increasingly favorable trends, including vacancy rates trending lower with material positive net absorption, strong effective rent growth, and a limited competitive property pipeline. Improvements to the market are expected to continue through the Property’s delivery in September 2014.
- **Demographics:** Several demographic trends such as a large generational cohort entering the housing market, declining homeownership rates, and the central city capturing a disproportionate share of new residents are expected to contribute to continued positive demand growth for rental housing over the investment holding period.

- **Liquidity:** Capital markets continue to seek modern multi-family properties in global gateway growth markets and, in particular, in the New York City multi-family market. This continuing demand trend will drive premium pricing at the conclusion of the investment and the Property's eventual disposition.
- **Attractive Risk Adjusted Returns:** 309 Fifth Avenue is projected to provide a compelling overall return. The investment is estimated to achieve a 200 to 250 bps premium at stabilization versus comparable cap rates for existing apartment sales, an attractive spread for an investment of this nature. This spread will enable the Project to achieve a Leveraged IRR projected at 19.0%.

Investment Risks

There are risks associated with the proposed transaction:

- **Construction:** Construction risk is inherent with any development project. This risk will be mitigated for potential investors in this Project because KDK will be responsible for delivering the Property on time and on budget. Further, Lend Lease will construct the Project under a GMP construction contract, backed by the full strength of the Lend Lease corporate balance sheet.
- **Lease-Up and Vacancy:** The Property is projected to lease-up over a 5-month period to a stabilized occupancy level of 97% (Apartments) and 97% (Retail). The absorption rate represents an average leasing velocity of 32 units per month, inclusive of the benefit of the expected preleasing activity. This rate is well within attainable levels as evidenced by the experience of recently delivered projects in the area. The Property's projected stabilized vacancy rate is in line with stabilized levels in Manhattan.
- **Market Rates:** Market rates underwritten for the Property are based on a comprehensive analysis of market competitors. Apartment units will be designed to be efficient and functional, supporting higher relative psf rates at absolute pricing levels below those realized by its competitors. The Property's proposed market rates are affordable to its targeted demographic.

Exit Strategy

309 Fifth Avenue is planned as a medium-term investment with a sale contemplated after a 5-year holding period. The Property will be a Class A, core, mixed-use multi-family project in a primary market and can be expected to attract significant institutional interest and strong pricing at sale. The reversion capitalization rate assumption of 5.0% appropriately reflects the quality, location, and age of the asset.

Section 2: Site Overview

SITE OVERVIEW

Location

309 Fifth Avenue is in an area of Manhattan traditionally known as Midtown South and more recently dubbed SoFi (South Fifth Avenue), although it technically falls into the Midtown West apartment submarket for statistical purposes. The Midtown West apartment market consists of 22,000 units or approximately 6% of the apartment stock in New York City. The Property location has evolved significantly in the past 10 years. As residential development headed south and east, the Fifth Avenue corridor between 34th Street and 23rd Street evolved into a highly desirable residential location that now competes with the Chelsea residential buildings to the south and west and the traditional East Side residential buildings located along First, Second, and Third Avenues.

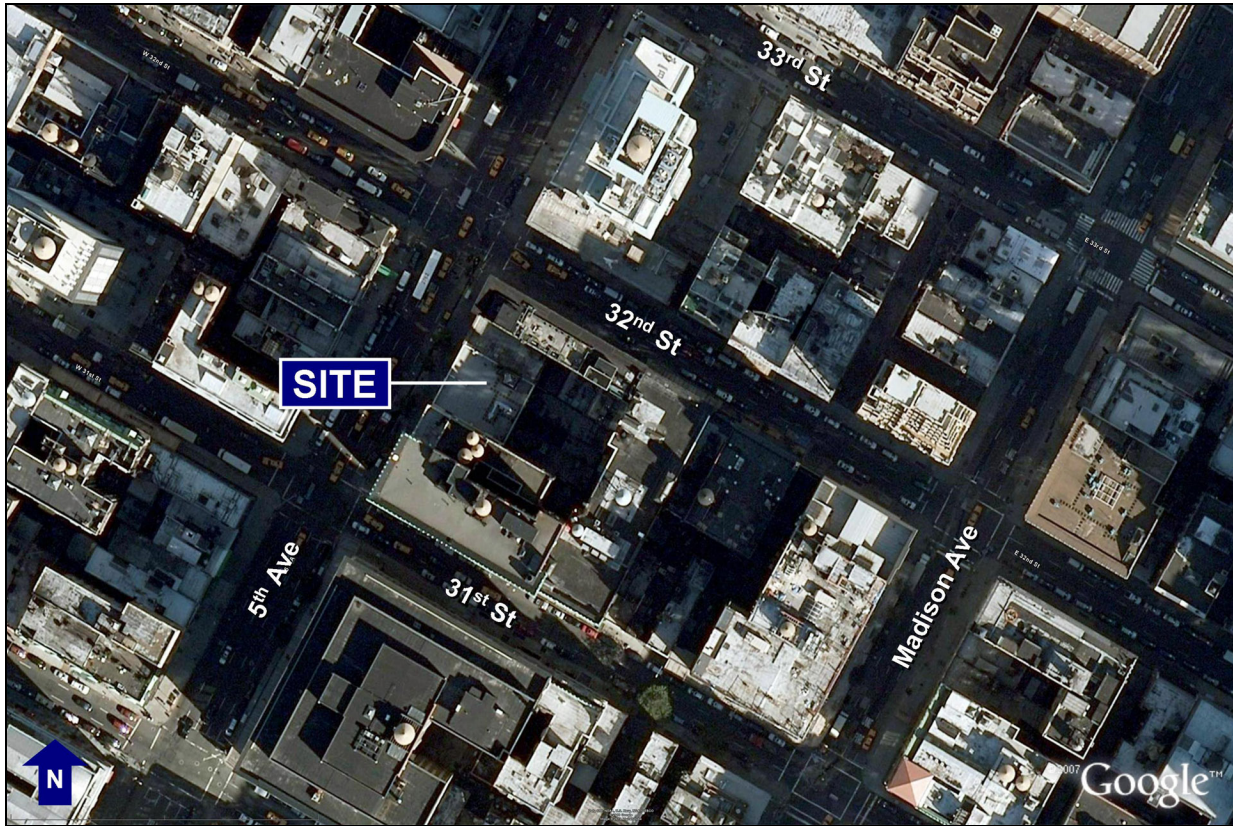
309 Fifth Avenue is within a short walking distance of subway stations and regional mass transit. There are four subway stations representing 12 subway lines within two cross-town blocks of the Property; the closest station access is just one cross-town block away on Broadway and 32nd Street, and provides access to the B, D, F, M, N, Q and R subway lines (34th Street/Herald Square Station). Located two blocks east, the station at 33rd and Park Avenue provides access to the heavily-traveled 4 and 6 lines, which run north-south and connect Downtown (Wall Street) all the way to 125th St in the Upper East Side. In addition, Penn Station is two cross-town blocks away at the corner of 32nd Street and Sixth Avenue , providing access to the A, C, E, 1, 2, and 3 lines, as well as NJ Transit and Long Island Railroad (LIRR) service. Furthermore, Penn Station serves as the Amtrak gateway to destinations up and down the East Coast.

Lifestyle elements surrounding the Property include half-mile or less proximity to Bryant and Madison Square Parks, the New York Public Library, Madison Square Garden, the Empire State Building, as well as hundreds of restaurant, retail, and nightlife options. The Property is within a quarter-mile of portions of City University of New York and the New York City arm of Cornell University. Additionally, the Property location features an immediate proximity to the Midtown commercial district, which is a large employment center in New York City. With easy access to mass transit, the Midtown commercial district, and the burgeoning Madison Square Park area just five blocks to the south, 309 Fifth Avenue is positioned to take advantage of the continued growth and value appreciation of the surrounding area.

LOCATOR MAPS



AERIALS



Site Description

The 309 Fifth Avenue development site is 8,400 sf and is one lot south of the northeast corner of Fifth Avenue and 32nd Street in Manhattan. The proposed structure will be set back slightly from Fifth Avenue, facing buildings of various heights to the north, south, east, and west, affecting planned light and air access. In addition to being surrounded by several buildings, the Property will be of varying proximities to its neighbors, affecting floor plan design and building usage efficiencies.

The design will need to take several elements into consideration, such as the various building heights and setbacks surrounding the proposed building. Air rights have been secured by the land owner above the building to the north to protect view, light and air corridors. The positioning of the Property on the site will allow for a variety of city views including the Empire State Building, panoramic cityscapes from higher floors, and the rooftop terrace, providing community access to light, air, and views for all residents.

SITE PHOTOGRAPHS



Zoning and FAR Overview

Although the 309 Fifth Avenue development site (the “Development Lot”) is 8,400 sf, the potential floor area that can be constructed on the site is greater because the current land owner has acquired the air rights from an adjacent property (the “Transferor Lot”). The Transferor Lot is located at 313 Fifth Avenue and contains 4,200 sf of lot area. The Development Lot and the Transferor Lot will contain a total lot area of 12,600 sf. Pursuant to a Declaration of Zoning Lot Restrictions and a Zoning Lot Development and Easement Agreement (“ZLDA”) recorded in the Office of the City Register, New York County, the Development Lot and the Transferor Lot were merged into a single zoning lot (the “Zoning Lot”). This merger is a prerequisite to obtaining permits from the New York City Department of Buildings.

The Zoning Lot is located in the C5-2 Zoning District. Permitted uses include residential, community facilities, hotels, and commercial uses (which include retail, office, wholesale, and certain light manufacturing uses). The building proposed for the site will include allowable residential and retail uses. The C5-2 district provides for a base floor area ratio (“FAR”) of 10.0, which means that for every square foot of lot area, 10 square feet of floor area is permitted. In a C5-2 district, the FAR of a residential building may be increased to a maximum of 12.0 (a bonus of 2.0 FAR) pursuant to the Inclusionary Housing Program “the “IAP”. The current land owner has already qualified the site for the FAR bonus by meeting the requirements of the IAP through off-site affordable housing.

Below is a calculation which details the total allowable FAR for the Zoning Lot. A snapshot from the New York City Zoning Map 8d is also attached, which denotes the Zoning Lot as a part of the C5-2 Zoning District.

ALLOWABLE FAR CALCULATION					
	Land sf	FAR Ratio	Allowable Floor Area	Less Existing Building	Net Allowable Floor Area
Development Lot	8,400	12.0	100,800	0	100,800
Transferor Lot	4,200	12.0	50,400	(10,064)	40,336
Total	12,600	-	151,200	(10,064)	141,136

In addition to the 141,136 in allowable FAR, the Project is also able to include the below grade retail space (6,400 sf) because only space above grade is counted to toward the FAR calculation. While below grade retail space is not valuable in many locations, it is very valuable at this location on Fifth Avenue in Manhattan.

NYC ZONING MAP 8D



Section 3: Project Overview

PROJECT OVERVIEW

Property Description

309 Fifth Avenue will be a 34-story, Class A multi-family development on the east side of Fifth Avenue. Although the Property is actually located on the east side of Manhattan, it is included in the Midtown West submarket for market tracking purposes. The Property will have 163 residential rental units (109,872 sf), two levels of retail space – basement (6,400 sf) and street level (6,350 sf) – as well as 6,400 sf of rentable storage space on the B2 level. The building will contain 100% market-rate apartments, as the affordable housing required to qualify for 421a tax abatement has been met off-site by the Land Owner. The planned amenity package will include a 24-hour doorman/concierge and a live-in superintendant. There will also be a well-equipped fitness center, bike storage, and a rooftop landscaped terrace that will offer city and river views. Each floor will have a trash room with a trash-chute-to-sub-cellar compaction room and designated trash bins for recyclables. The sub-cellar will also have industrial washers and dryers to handle tenants' larger laundry needs. Residential units will have premium-quality interior finishes including stainless steel appliances, in-unit stacked washer-dryers, hardwood floors, solid-core wood doors, individually controlled heating and cooling units, and 9-foot ceilings. Air rights over a nearby building run with the land, securing cityscape views. The Property will be designed to meet LEED certification standards, with a minimum level of LEED-Silver as the target.

Property Attributes

Submarket:	Midtown West	Buildings:	1
Building Type:	High-rise	Parking:	None
Year Built:	Projected Completion in 2013	Site:	8,400 sf (0.2 acres)
Total Units:	163	Developer:	KDK
Size:	122,622 sf	Property Manager:	Cooper Square Realty, Inc.
Average Unit Size:	674 sf		
Number of Floors:	34		

Planned Improvements

Parking:	None
Construction:	Cast-in-place concrete
Floors:	Concrete
Number of Elevators:	Two electric, traction, high-speed (150 feet/minute minimum) elevators
Electrical:	NYC code with individual meter and breaker panel for each apartment
HVAC:	Heating and air conditioning by individually controlled PTAC units in the apartments
Architectural System:	Tower on a base
Roof:	Single-ply EPDM membrane with insulation and ballast over concrete deck
LEED Certification:	LEED-certified (targeting Silver)
Fire Protection:	Fully sprinklered as per NYC code
Plumbing:	NYC code – Copper/Cast Iron
Zoning:	C5-2 NYC

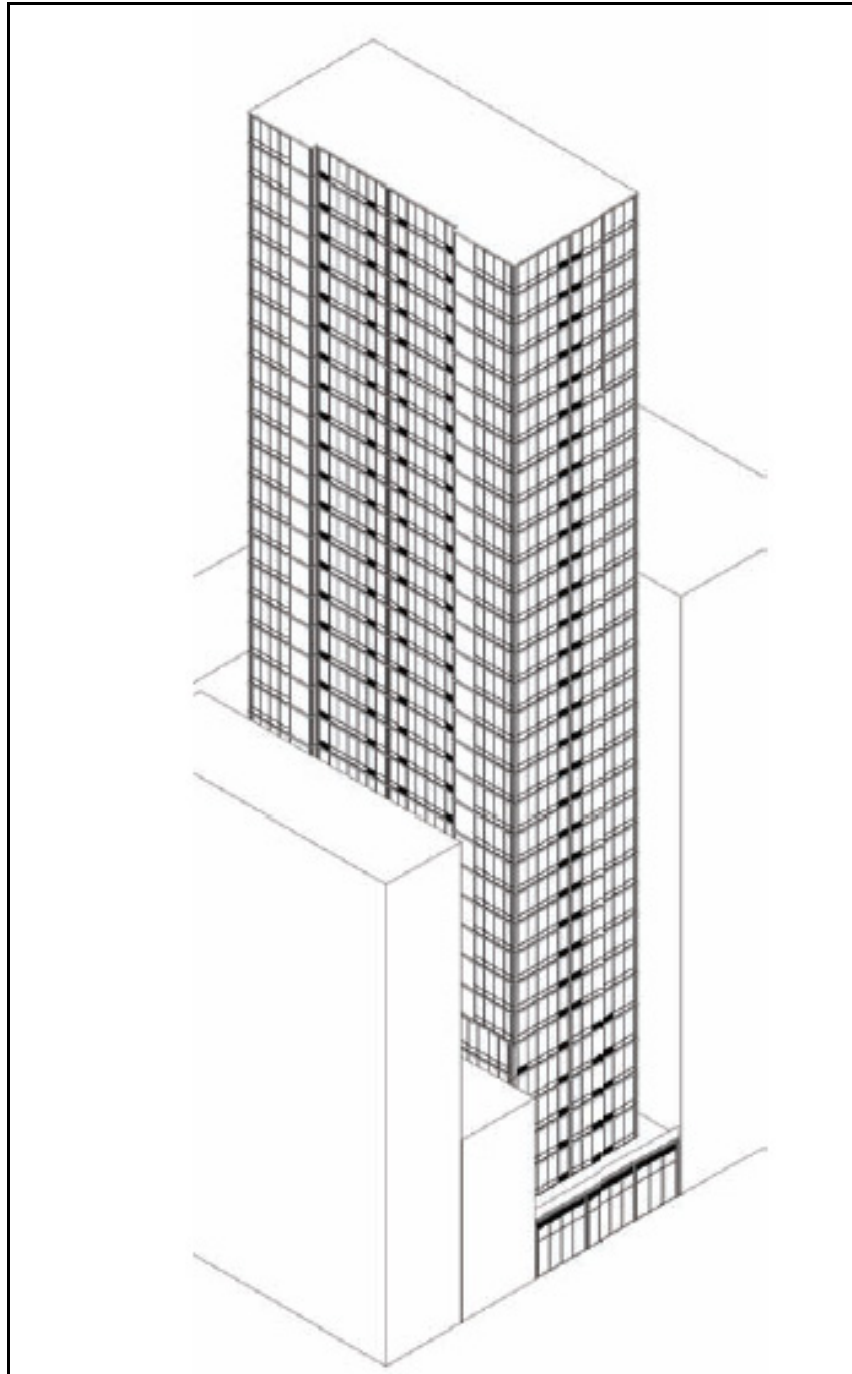
Unit Mix

Unit Type	Count	% Mix	SF	Monthly Rent	Monthly Rent psf
Studio	45	28%	468	\$2,691	\$5.75
1 BR/1 BA	69	42%	666	\$3,664	\$5.50
1 BR/1 BA + Den	33	20%	785	\$4,255	\$5.42
2 BR/2 BA	16	10%	1,059	\$5,695	\$5.38
Market Totals	163	100%	674	\$3,714	\$5.51

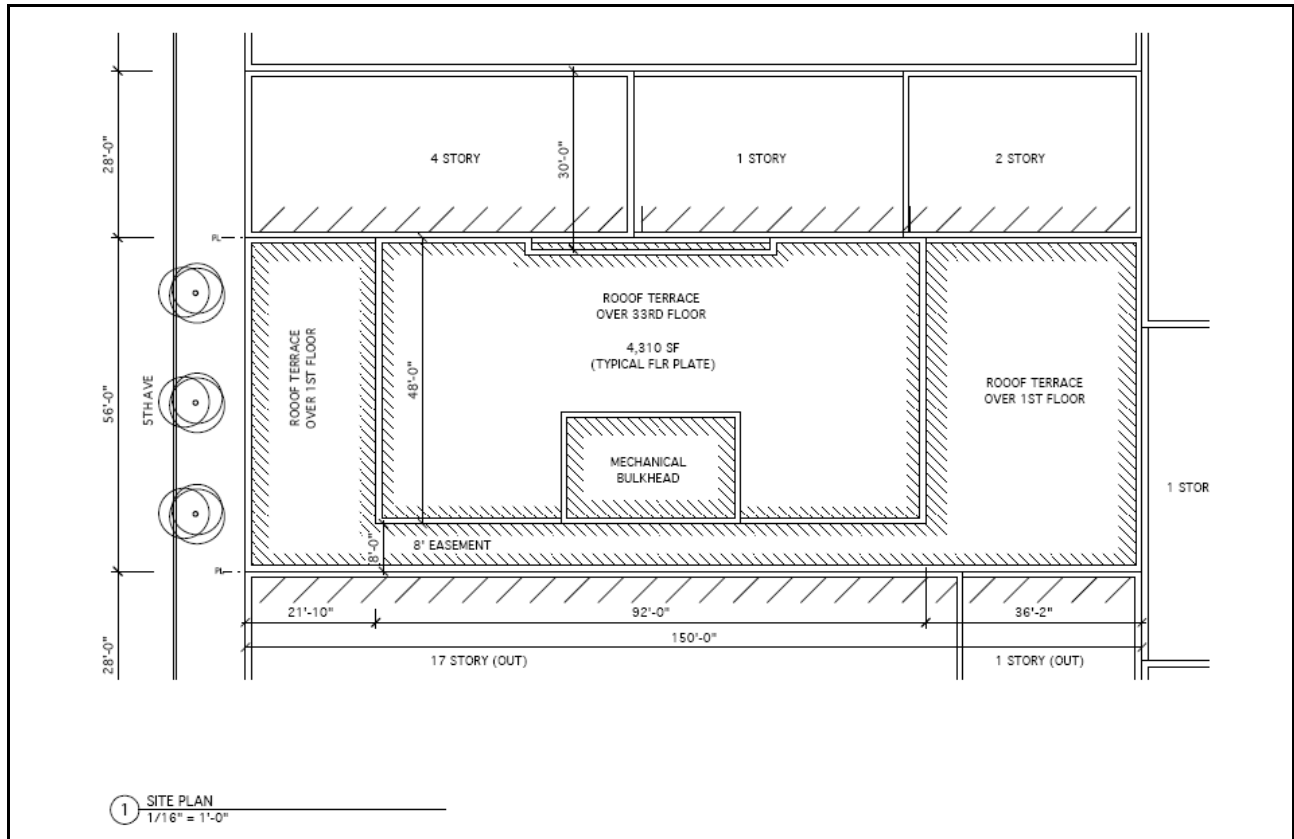
PROJECT RENDERING #1



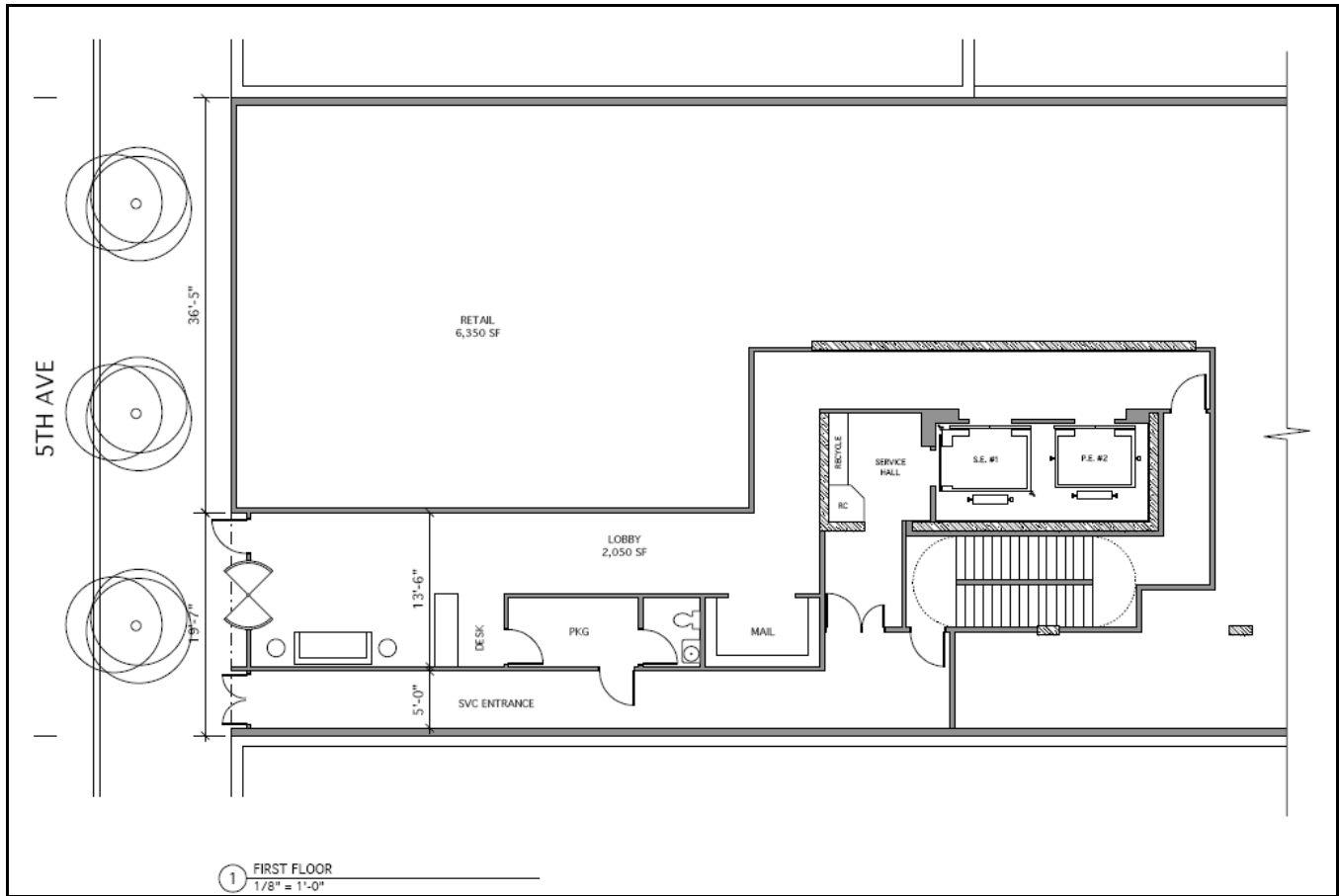
PROJECT RENDERING #2



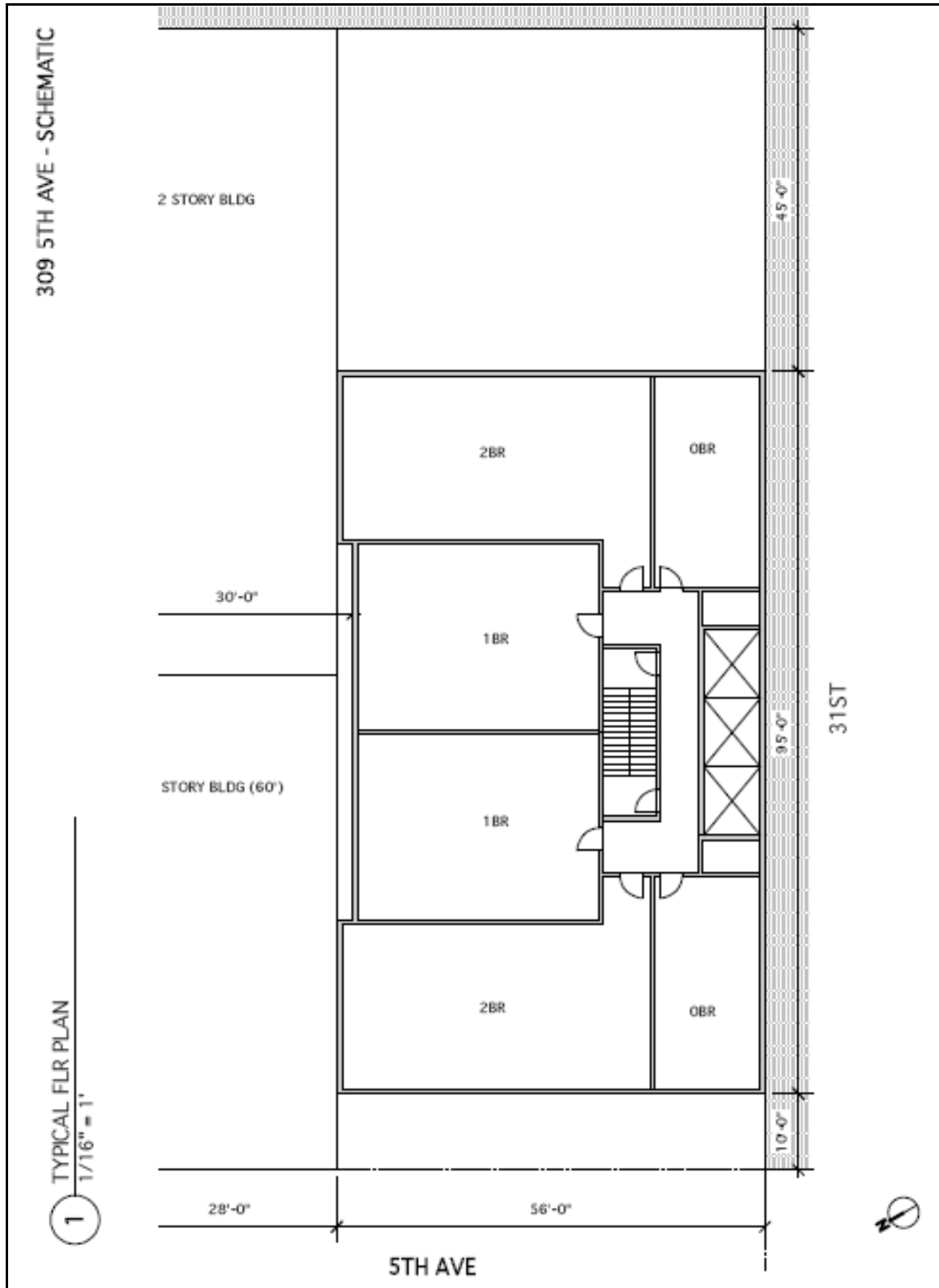
SCHEMATIC SITE PLAN



FIRST FLOOR SCHEMATIC PLAN



TYPICAL SCHEMATIC FLOOR PLAN



Section 4: Macro Market Analysis

MACRO MARKET ANALYSIS

For the sections below regarding the NYC Economy and Employment Trends and Demographics Analysis, KDK consulted with Bentall Kennedy U.S. LP, a large Real Estate Investment Advisor with a strong research team ("Bentall Research"). All of the statistics and forecasts herein come from proprietary research reports produced by Bentall Research with the source data coming from Moody's Analytics, BLS, Census Bureau, and the National Association of Realtors.

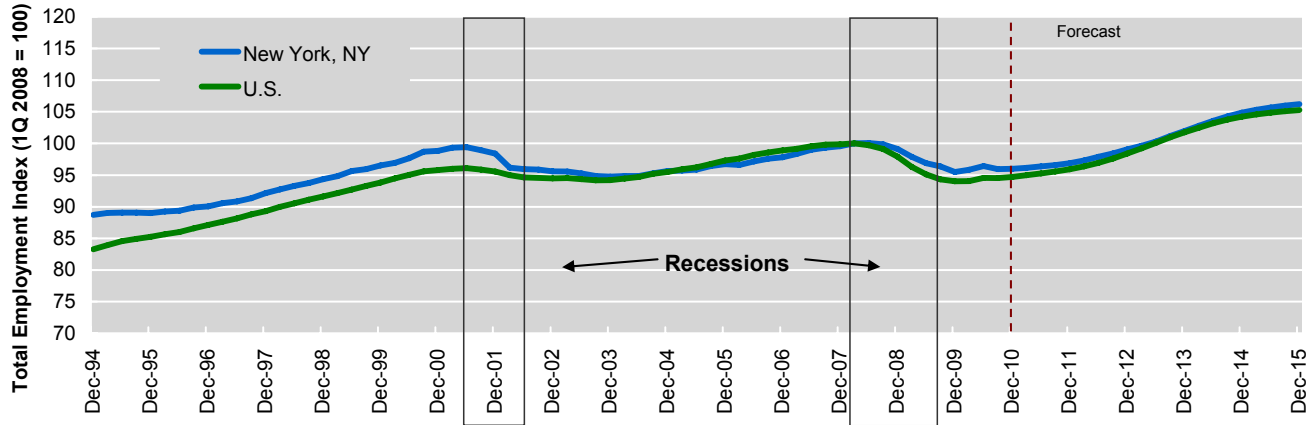
Metropolitan New York City Economy and Employment Trends

The analysis covers the New York-Wayne-White Plains NY-NJ (New York) Metropolitan Division, as defined by the US Census Bureau. This area includes the five bureaus of New York, in addition to Richmond, Rockland and Westchester counties, which make up White Plains area, and the close-in counties of Bergen, Hudson, and Passaic in northern New Jersey.

The New York Metropolitan Division contains 11.8 million people, making it the largest market in the US. During the recession the local economy tracked the overall US economy fairly closely losing 264,900 jobs, or about 5% of its total employment base. The US economy lost 6% of total employment during the recession. New York's unemployment rate peaked at 9.9% in November 2009, above its long-term average of 7.1%.

The local economy started expanding again in January 2010, and by the end August 2010 had regained 51,000 (19%) of the jobs it lost during the recession. Unfortunately, like much of the rest of the US, the New York economy began contracting again in September 2010, re-losing 31,700 jobs by the end of December 2010. Looking forward, the New York job market is expected to regain all the jobs it lost during the recession by the end of 2013, about the same time the overall US economy is expected to accomplish the same feat. New York is a mature, densely populated market that grows at a slower pace than the overall US. Because New York's population and labor force grow slowly, the recovery in its unemployment rate will occur around the same time as it recovers the jobs lost during the recession.

Employment Trends: New York, NY vs. U.S.



The industry sectors expected to drive job growth in New York over the next five years are concentrated in the service sector and include information services, business & professional services, education & health services, and leisure & hospitality services. Currently these industries make up 50% of New York's employment base, and are expected to account for over 70% of new job growth over the next five years. The financial services sector is forecast to add just over 40,000 jobs before the end of 2015, completely recovering the jobs lost during the recession, but make up a smaller portion of overall employment due to its slower rate of recovery. The construction industry, which experienced a major contraction during the downturn, is also expected to experience a rebound. Over the same time period, primary drags on New York's job market are expected to be retail trade (9% of current employment) and local government (11% of current employment). Federal and state governments are also expected to recover lost jobs at a slower pace than other sectors in New York's economy and they make up a very small portion (3% combined) of total employment.

New York, NY

2006	2007	2008	2009	2010	Indicators	2011	2012	2013	2014	2015
670.7	684.6	686.1	655.8	652.9	Gross metro product (C\$B)	670.7	706.2	743.9	773.4	795.2
4.9	2.1	0.2	-4.4	-0.4	% change	2.7	5.3	5.3	4.0	2.8
5,139.7	5,231.3	5,273.7	5,109.7	5,076.9	Total employment (000's)	5,100.8	5,188.6	5,326.6	5,491.4	5,593.2
1.4	1.8	0.8	-3.1	-0.6	% change	0.5	1.7	2.7	3.1	1.9
4.8	4.6	5.4	9.2	9.4	Unemployment rate	9.3	8.8	7.6	5.3	4.9
11,562.2	11,621.2	11,672.3	11,743.2	11,824.1	Population (000's)	11,879.8	11,915.8	11,940.1	11,959.2	11,978.1
0.3	0.5	0.4	0.6	0.7	% change	0.5	0.3	0.2	0.2	0.2
-110.7	-53.5	-28.7	0.6	-8.3	Net migration (SAAR, 000's)	-38.4	-54.0	-65.3	-69.1	-69.7
4,317.7	4,342.0	4,368.5	4,403.0	4,439.6	Households (000's)	4,463.4	4,474.5	4,490.5	4,506.5	4,518.3
0.3	0.6	0.6	0.8	0.8	% change	0.5	0.2	0.4	0.4	0.3
\$54,817	\$54,781	\$57,280	\$57,010	\$58,832	Median Household Income	\$60,467	\$64,393	\$68,807	\$73,496	\$77,170
4.9	-0.1	4.6	-0.5	3.2	% change	2.8	6.5	6.9	6.8	5.0
3,532	2,905	2,126	1,381	1,574	Single-family permits (SAAR)	1,972	2,881	4,445	4,169	3,938
36,366	38,402	37,636	8,078	6,954	Multifamily permits (SAAR)	14,634	30,135	34,607	39,638	39,992
\$518,125	\$537,550	\$493,340	\$434,420	\$443,758	Existing-home price	\$402,970	\$396,210	\$410,883	\$432,133	\$459,835
2.9	3.7	-8.2	-11.9	2.1	% change	-9.2	-1.7	3.7	5.2	6.4

Sources: Moody's Analytics, BLS, Census Bureau, National Association of Realtors

Demographics Analysis

New York's annual population growth rate of 0.48% has lagged the overall US (1.04% per year) for the past 20 years. Because it is a mature and densely populated market, land constraints prohibit faster growth. As a result, New York acts as a feeder market with strong international in-migration patterns being offset by stronger domestic out-migration patterns. Consistent with most other US markets, migration into and out of New York slowed during the recession due to the lack of jobs locally and in other markets. More traditional migration patterns are expected to reemerge as the economic recovery gains strength. Over the next five years, population and households are expected to grow by 0.25% per year, below the market's longer-term average, but consistent with the pace of growth experienced over the past decade.

Despite New York's slower rate of growth, the large concentration of high-end service providers will help household incomes grow at an annualized rate of 5.6%, well above the expected rate of inflation and broader income growth in the US over the next five years. In the short term, the positive benefits of growing incomes will be muted by continued weakness in the housing market, where prices are not expected to bottom until 2011. The outlook for households improves measurably heading into 2012, when both incomes and home values are forecasted to start rising at above-inflationary rates. Over the short term, continued weakness in the for-sale housing market, combined with recovering job growth will push more households into rental apartments and continue to apply downward pressure on the local homeownership rate.

New York Apartment Market

All market data contained below is from REIS, with the forecast provided by Bentall Kennedy Research.

The New York apartment market contains approximately 373,000 units, making it the 8th largest apartment market in the US. During the last cycle, New York experienced a moderate level of condominium conversion activity with 9,566 rental units (2.8% of stock) removed from stock for this purpose. Vacancy in the New York apartment market began rising in 4Q 2008 due to increased deliveries of new for-rent apartments and the onset of negative net absorption in the wake of the financial crisis. Demand turned positive again in 2Q 2009, after only two quarters of negative absorption, and grew through 4Q 2010. Market vacancy peaked at 4.3% at the end of 2Q 2010, above the market's equilibrium rate of 3.1%. Over the next two years, vacancy in the apartment market will begin to recover, reaching its long-term equilibrium level in 2012.

Effective rents (face rents less concessions) contracted by 6.8%, on a quarter-to-quarter basis during the recession as vacancy rose above the market's equilibrium level. At the end of 4Q 2010, effective rents were up 6.8% from 4Q 2009 as landlords began to experience a recovery in demand and pulled back from the stronger concessions they had offered in 2009 during the height of the recession. After averaging out quarterly volatility, effective rents for the four quarters of 2010 were 1.1% over the four quarters of 2009. Our forecast is for effective rents to grow at a compound annual rate of 6% over the next five years, with stronger growth starting in 2012.

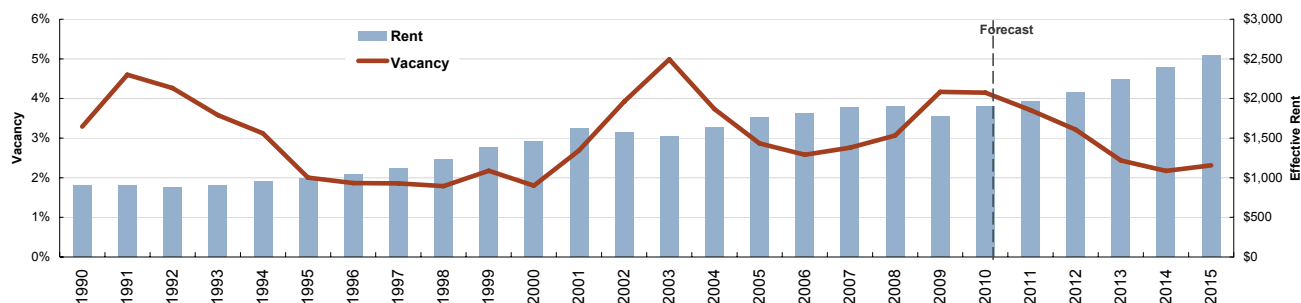
New York, NY Apartment Market Fundamentals

Date	Stock (Units)	Construction (Units)				Absorption		Vacancy	Face Rent	Face Rent Growth	Effective Rent	Effective Rent Growth	Concession % Month
		Additions	Removals	Net Change	% Stock	Units	% Stock						
1990	288,541	3,310	0	3,310	1.2%	1,771	0.6%	3.3%	\$912		\$905		0.7%
1991	290,938	2,397	0	2,397	0.8%	-1,488	-0.5%	4.6%	\$911	0.0%	\$902	-0.4%	1.1%
1992	292,774	1,836	0	1,836	0.6%	2,741	0.9%	4.3%	\$898	-1.4%	\$881	-2.2%	1.9%
1993	294,708	1,934	0	1,934	0.7%	3,858	1.3%	3.6%	\$913	1.7%	\$903	2.4%	1.2%
1994	296,801	2,093	0	2,093	0.7%	3,384	1.1%	3.1%	\$958	4.9%	\$953	5.6%	0.5%
1995	299,326	2,443	82	2,525	0.8%	5,797	2.0%	2.0%	\$992	3.5%	\$986	3.5%	0.6%
1996	302,432	3,005	101	3,106	1.0%	3,462	1.2%	1.9%	\$1,048	5.7%	\$1,041	5.6%	0.6%
1997	308,853	3,898	2,523	6,421	1.3%	6,322	2.1%	1.9%	\$1,123	7.2%	\$1,118	7.3%	0.5%
1998	316,038	5,839	1,346	7,185	1.9%	7,272	2.3%	1.8%	\$1,234	9.9%	\$1,231	10.1%	0.3%
1999	324,113	8,075	0	8,075	2.6%	6,663	2.1%	2.2%	\$1,389	12.6%	\$1,384	12.4%	0.4%
2000	329,050	4,937	0	4,937	1.5%	6,090	1.9%	1.8%	\$1,453	4.6%	\$1,451	4.9%	0.1%
2001	337,239	8,189	0	8,189	2.5%	5,036	1.5%	2.7%	\$1,653	13.8%	\$1,626	12.0%	1.7%
2002	342,900	5,661	0	5,661	1.7%	1,273	0.4%	3.9%	\$1,627	-1.6%	\$1,572	-3.3%	3.3%
2003	349,821	7,387	-466	6,921	2.2%	2,919	0.9%	5.0%	\$1,600	-1.7%	\$1,528	-2.9%	4.5%
2004	351,826	3,398	-1,393	2,005	1.0%	6,325	1.8%	3.7%	\$1,697	6.1%	\$1,633	6.9%	3.8%
2005	353,265	4,232	-2,793	1,439	1.2%	4,436	1.3%	2.9%	\$1,818	7.1%	\$1,761	7.8%	3.2%
2006	351,776	2,519	-4,008	-1,489	0.7%	-431	-0.1%	2.6%	\$1,864	2.5%	\$1,808	2.7%	3.0%
2007	355,427	4,999	-1,348	3,651	1.4%	2,926	0.8%	2.8%	\$1,939	4.0%	\$1,886	4.3%	2.7%
2008	358,955	3,086	442	3,528	0.9%	2,346	0.7%	3.1%	\$1,959	1.1%	\$1,903	0.9%	2.9%
2009	362,518	3,563	0	3,563	1.0%	-562	-0.2%	4.2%	\$1,852	-5.5%	\$1,780	-6.4%	3.9%
2010	371,603	9,273	-188	9,085	2.6%	8,784	2.4%	4.1%	\$1,971	6.5%	\$1,902	6.8%	3.5%
2011	375,973	4,370	0	4,370	1.2%	5,854	1.6%	3.7%	\$2,035	3.2%	\$1,967	3.4%	3.3%
2012	379,206	3,233	0	3,233	0.9%	4,966	1.3%	3.2%	\$2,142	5.3%	\$2,070	5.3%	3.3%
2013	382,875	3,669	0	3,669	1.0%	6,537	1.7%	2.4%	\$2,308	7.8%	\$2,240	8.2%	2.9%
2014	387,953	5,078	0	5,078	1.3%	5,976	1.6%	2.2%	\$2,458	6.5%	\$2,396	7.0%	2.5%
2015	392,730	4,777	0	4,777	1.2%	4,113	1.1%	2.3%	\$2,611	6.3%	\$2,546	6.3%	2.5%

5-Year Forecast Average		1.1%		1.4%	2.8%		5.8%		6.0%	2.9%
Long-Term Average		1.3%		1.2%	3.1%		3.9%		3.8%	2.0%
Rolling 10-Year Average		1.5%		1.4%	2.9%		2.9%		4.5%	
Rolling 10-Year Max		1.7%		1.6%	3.5%		3.5%		6.1%	9.3%
Rolling 10-Year Min		1.0%		0.9%	2.5%		2.5%		2.6%	1.6%
Rolling 5-Year Average		1.3%		1.2%	3.0%		2.9%		4.6%	1.7%
Rolling 5-Year Max		2.1%		2.0%	3.9%		3.6%		9.3%	3.2%
Rolling 5-Year Min		0.7%		0.5%	1.9%		1.9%		1.6%	0.7%

Sources: Reis (History), Bental Kennedy Research (Forecast)

Market Rent and Vacancy Trends



Sources: Reis (History), Bental Kennedy Research (Forecast)

Midtown West Submarket

The Midtown West submarket contains approximately 22,000 units, or 6% of overall New York apartment stock. Submarket vacancy peaked in 3Q 2010 at 6.8%, on the back of strong delivers of new rental units, but recovered to 4.8% at the end 4Q 2010 due to strong demand and no new additions to stock.

12 Month Trailing Submarket Rankings (4Q 2010)

Submarket	Stock		Completions			Absorption			Vacancy			
	Units	% of Market	Units	% of Stock	% of Market	Units	% of Stock	% of Market	Current	4Q Change	LTA	Spread
Bergen County	40,013	10.8%	77	0.2%	0.8%	353	0.9%	3.9%	4.4%	-0.7%	3.1%	41.9%
Bronx County	12,257	3.3%	0	0.0%	0.0%	110	0.9%	1.2%	0.7%	-0.9%	2.0%	-64.3%
Hudson County	40,993	11.0%	1,748	4.3%	19.2%	1,101	2.8%	12.1%	5.6%	1.4%	4.5%	24.7%
Kings County	21,819	5.9%	1,426	6.5%	15.7%	1,239	6.1%	13.6%	3.1%	0.7%	2.2%	40.2%
Midtown West	22,049	5.9%	2,701	12.2%	29.7%	2,146	11.1%	23.6%	4.8%	2.2%	2.3%	110.1%
Morningside Heights/Washington Heights	7,873	2.1%	803	10.2%	8.8%	582	8.2%	6.4%	6.4%	2.4%	2.8%	128.6%
Morris County	22,861	6.2%	330	1.4%	3.6%	522	2.3%	5.7%	3.2%	-0.9%	2.6%	24.8%
Newark/Orange/East Essex County	40,723	11.0%	0	0.0%	0.0%	326	0.8%	3.6%	7.1%	-0.8%	4.3%	64.1%
Passaic County	24,088	6.5%	0	0.0%	0.0%	-96	-0.4%	-1.1%	3.9%	0.4%	2.5%	55.4%
Queens County	22,411	6.0%	579	2.6%	6.4%	567	2.6%	6.2%	2.1%	0.0%	2.3%	-8.5%
Stuyvesant/Turtle Bay	22,654	6.1%	0	0.0%	0.0%	91	0.4%	1.0%	3.1%	-0.4%	2.2%	43.7%
Union County	24,501	6.6%	0	0.0%	0.0%	147	0.6%	1.6%	4.2%	-0.6%	2.9%	46.7%
Upper East Side	16,302	4.4%	0	0.0%	0.0%	147	0.9%	1.6%	1.9%	-0.9%	2.0%	-5.2%
Upper West Side	15,916	4.3%	950	6.0%	10.5%	547	3.7%	6.0%	4.6%	2.4%	1.6%	194.3%
West Essex County	15,688	4.2%	0	0.0%	0.0%	298	1.9%	3.3%	3.3%	-1.9%	3.7%	-9.7%
West Village/Downtown	21,455	5.8%	471	2.2%	5.2%	707	3.4%	7.8%	3.3%	-1.2%	2.7%	20.8%

Source: Reis

Continued strong demand in 2011 will be met by an equally strong delivery of new rental units to hold vacancy relatively stable during the year. Weaker development activity, but still strong demand will help vacancy to fall to 2.4% in 2013 before construction picks up to offset demand and help stabilize vacancy. According to data tracked by Reis, there are three projects, totaling 1,273 units, currently under construction in the submarket and scheduled for delivery in 2011. There are also two projects, totaling 470 units, reported as being under construction and scheduled for delivery in 2014. Reis is tracking four additional projects, totaling 2,363 units, in the planned and proposed stages of development. We do not expect any of these projects to begin construction until 2012. We believe new deliveries will begin in 2013/2014.

Even with elevated new construction beginning to deliver in 2013, we expect submarket vacancy to fall below its long-term equilibrium level after 2012. As a result, effective rent growth will remain above inflation and accelerate through 2013, when vacancy falls below its long-term equilibrium level. Bentall Kennedy Research forecasts effective rents to grow at a compound annual rate of 7.2% between 2011 and 2015, above the submarket's historical average of 4.8%.

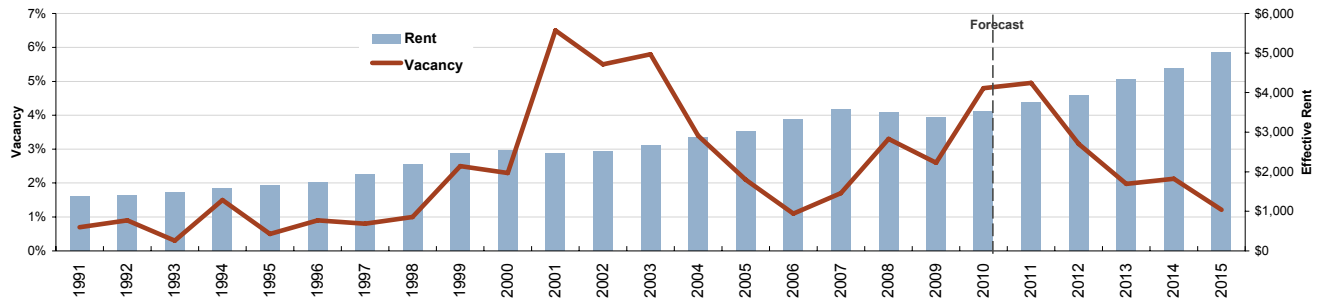
Midtown West Apartment Submarket Fundamentals

Date	Stock (Units)	Construction (Units)				Absorption		Vacancy	Face Rent	Face Rent Growth	Effective Rent	Effective Rent Growth	Concession % Month
		Additions	Removals	Net Change	% Stock	Units	% Stock						
1991	5,892	584	0	584	11.0%	739	13.9%	0.7%	\$1,381		\$1,381		0.0%
1992	5,892	0	0	0	0.0%	-12	-0.2%	0.9%	\$1,409	2.0%	\$1,409	2.0%	0.0%
1993	5,892	0	0	0	0.0%	35	0.6%	0.3%	\$1,482	5.2%	\$1,482	5.2%	0.0%
1994	5,892	0	0	0	0.0%	-70	-1.2%	1.5%	\$1,579	6.5%	\$1,572	6.1%	0.4%
1995	6,157	265	0	265	4.5%	322	5.5%	0.5%	\$1,651	4.6%	\$1,651	5.0%	0.0%
1996	6,367	210	0	210	3.4%	184	3.0%	0.9%	\$1,743	5.6%	\$1,743	5.6%	0.0%
1997	6,453	0	86	86	1.4%	91	1.4%	0.8%	\$1,924	10.4%	\$1,924	10.4%	0.0%
1998	7,410	957	0	957	14.8%	935	14.5%	1.0%	\$2,192	13.9%	\$2,192	13.9%	0.0%
1999	8,746	1,336	0	1,336	18.0%	1,191	16.1%	2.5%	\$2,496	13.9%	\$2,476	13.0%	0.8%
2000	10,172	1,426	0	1,426	16.3%	1,411	16.1%	2.3%	\$2,559	2.5%	\$2,549	2.9%	0.4%
2001	12,835	2,663	0	2,663	26.2%	2,063	20.3%	6.5%	\$2,615	2.2%	\$2,464	-3.3%	5.8%
2002	15,156	2,321	0	2,321	18.1%	2,321	18.1%	5.5%	\$2,718	3.9%	\$2,508	1.8%	7.7%
2003	16,741	1,585	0	1,585	10.5%	1,448	9.6%	5.8%	\$2,828	4.0%	\$2,667	6.3%	5.7%
2004	17,431	690	0	690	4.1%	1,068	6.4%	3.4%	\$2,953	4.4%	\$2,875	7.8%	2.6%
2005	16,935	615	-1,111	-496	-2.8%	-259	-1.5%	2.1%	\$3,109	5.3%	\$3,034	5.5%	2.4%
2006	17,596	661	0	661	3.9%	823	4.9%	1.1%	\$3,398	9.3%	\$3,309	9.1%	2.6%
2007	17,964	368	0	368	2.1%	257	1.5%	1.7%	\$3,651	7.4%	\$3,571	7.9%	2.2%
2008	18,960	732	264	996	5.5%	675	3.8%	3.3%	\$3,609	-1.2%	\$3,511	-1.7%	2.7%
2009	19,348	388	0	388	2.0%	511	2.7%	2.6%	\$3,496	-3.1%	\$3,378	-3.8%	3.4%
2010	22,049	2,701	0	2,701	14.0%	2,154	11.1%	4.8%	\$3,650	4.4%	\$3,539	4.8%	3.0%
2011	23,322	1,273	0	1,273	5.8%	1,176	5.3%	5.0%	\$3,877	6.2%	\$3,764	6.4%	2.9%
2012	23,792	470	0	470	2.0%	875	3.8%	3.2%	\$4,032	4.0%	\$3,932	4.4%	2.5%
2013	24,664	872	0	872	3.7%	1,135	4.8%	2.0%	\$4,428	9.8%	\$4,335	10.3%	2.1%
2014	25,902	1,238	0	1,238	5.0%	1,174	4.8%	2.1%	\$4,708	6.3%	\$4,609	6.3%	2.1%
2015	26,702	800	0	800	3.1%	1,027	4.0%	1.2%	\$5,118	8.7%	\$5,012	8.7%	2.1%

5-Year Forecast Average		3.9%		4.5%	2.7%		7.0%		7.2%	2.3%
Long-Term Average		7.3%		7.1%	2.3%		5.0%		4.8%	1.9%
Rolling 10-Year Average		9.7%		9.1%	2.5%		6.1%		5.8%	2.0%
Rolling 10-Year Max		11.7%		11.1%	3.4%		6.9%		6.6%	3.6%
Rolling 10-Year Min		5.9%		6.0%	1.0%		3.4%		3.2%	0.1%
Rolling 5-Year Average		7.9%		7.6%	2.4%		5.9%		5.6%	1.9%
Rolling 5-Year Max		18.7%		17.0%	4.7%		10.9%		9.5%	4.8%
Rolling 5-Year Min		1.6%		1.5%	0.8%		3.0%		2.6%	0.1%

Sources: Reis (History), Bental Kennedy Research (Forecast)

Submarket Rent and Vacancy Trends



Sources: Reis (History), Bental Kennedy Research (Forecast)

Section 5: Market Comparables Analysis

MARKET COMPARABLES ANALYSIS

All of the data provided in this Market Comparables section is derived from a variety of primary and secondary sources. Intelligence regarding the competitive properties comes largely from interviewing knowledgeable residential rental brokers and first hand surveys (i.e. – “shopping comps”) conducted personally by KDK’s lead principal, Kevin Rivest. Property and Land sale comparables come from a combination of secondary research provided by Real Capital Analytics and interviews with Investment Sales brokers involved in or knowledgeable of the respective sale transactions. The Retail lease comparables data comes exclusively from interviews with Senior Leasing Brokers at RKF, a leading retail firm in New York.

Competitive Properties

We have selected seven existing properties that are expected to compete directly with 309 Fifth Avenue based on varying combinations of location, unit mix, amenity offerings, and finishes. The properties were delivered between 1999 and 2010 with the majority of units being delivered from 2006 onward. The submarket continues to see significant recent investment activity with two projects – The Continental and The Beatrice – of 338 and 302 units, respectively, that were delivered in 2010.

Delivered in 2006, 325 Fifth Avenue (Comparable 1) is a condominium building with an average unit size of 1,188 sf, nearly double that of the Property (674 sf). 325 Fifth Avenue is the most comparable from a location perspective; it is mid-block along Fifth Avenue, just one block north of the Property. Finishes and amenities are comparable, and the exterior facade is similar to what is planned for 309 Fifth Avenue. The psf pricing on rental units at 325 Fifth Avenue falls on the lower end of the submarket range due to the larger average unit size putting pressure on total gross rent. In addition, the rental units in the building are owned by individual investors, thus they are not achieving their full rent potential due to a lack of professional marketing and leasing.

Tower 31 (Comparable 2) is another mid-block property one-half block to the west of the site, offering amenities, finishes, and a unit mix that most closely resemble 309 Fifth Avenue. Two larger competing projects were delivered in 2010 – The Continental (Comparable 3) and The Beatrice (Comparable 4) – featuring similar unit mixes and finishes. The Continental offers a more attractive location along Sixth Avenue along with a slightly better amenity package, including an indoor pool and spa. The Beatrice is a mixed-use complex with more than 200 hotel rooms and a shared amenity arrangement between residents and hotel guests. Unit sizing, unit mix, and finishes are comparable with the Property, although views are superior.

The Epic (Comparable 5) is another example of a rental property with similar unit sizes and mix as well as a mid-block location. Delivered in 2006, The Epic has a more comprehensive amenity package, although its off-Avenue location is less attractive than the Property’s site. The oldest of the existing competitors, the Madison Belvedere (Comparable 6) was delivered in 1999. Madison Belvedere is an example of an off-Avenue building with inferior finishes and comparable amenities. Sky House (Comparable 7) is another condominium property with rental options through private owners. It faces the same challenges as 325 Fifth Avenue concerning achieving market rate psf rents.

The Property is positioned to compete effectively within its competitive set for echo boom tenants with attributes such as a smaller unit mix focus (high percentage of studios and 1BR units), market-comparable amenities and in-unit finishes, and proximity to mass transit, retail, and cultural attractions.

The location of competitive properties can be seen in the map below. Property photographs and a table detailing the competitive properties are included on the following pages.

COMPETITIVE PROPERTIES LOCATOR MAP



COMPETITIVE PROPERTIES SUMMARY



No.	Property/Location	Year Built Units Occupancy	Unit and Rental Information					
				Studio	1 Bedroom/ 1BR&Den	2 Bedroom	Other (LW/TH/3BR)	Average
	309 Fifth Avenue New York, New York	2014 163 0%	# Units Unit Size Rent/Month Rent/psf	45 468 sf \$2,691 \$5.75	102 705 sf \$3,855 \$5.47	16 1,059 sf \$5,695 \$5.38	N/A	163 674 sf \$3,714 \$5.51
1.	325 Fifth Avenue New York, New York	2006 250 N/A	# Units* Unit Size Rent/Month Rent/psf	N/A 	63 886 sf \$4,500 \$5.08	175 1,276 sf \$7,010 \$5.50	12 1,500 sf \$9,000 \$6.00	250 1,188 sf \$6,473 \$5.45
	Comments: Condo. 325 Fifth Avenue is located ½-block north of 309 Fifth Avenue and has comparable finishes and amenities. Like 325 Fifth Avenue, the Property will have a window-wall façade. Rentals are by condominium owners and units are significantly larger than true rental buildings, which applies downward pressure on the rental prices psf. Developer: Douglaston							
2.	Tower 31 9 West 31 st Street New York, New York	2005 283 99%	# Units* Unit Size Rent/Month Rent/psf	57 458 sf \$2,665 \$5.82	198 618 sf \$3,749 \$6.07	28 1,147 \$5,973 \$5.21	N/A	283 638 sf \$6,751 \$5.88
	Comments: Rental. Tower 31 is a mid-block building located ½-block to the west of 309 Fifth Avenue along 31 st Street and is the most relevant comparable as a pure rental property. Amenities, finishes, appliances, views, and unit sizes are all comparable to 309 Fifth Avenue. Studio and 1BR units do not contain in-unit washer-dryers. Developer: Atlantic Realty							
3.	The Continental 885 Avenue of Americas New York, New York	2010 338 98%	# Units* Unit Size Rent/Month Rent/psf	112 480 sf \$3,000 \$6.25	189 675 sf \$4,150 \$6.15	37 1,000 sf \$6,100 \$6.10	N/A	338 646 sf \$3,982 \$6.17
	Comments: Rental. Recently opened (mid-January 2011) and recently stabilized with an average absorption pace of 31 units per month. The Continental is in a slightly more convenient location on the Sixth Avenue corridor and offers comparable finishes, architecture, and unit sizes. The amenity package is slightly more comprehensive than 309 Fifth Avenue and includes an indoor infinity pool and spa. The Continental is currently offering a concession of 1-month free rent for 13-month leases. Rents shown reflect this concession. Developer: Atlantic Realty							
4.	The Beatrice 835 Avenue of Americas New York, New York	2010 302 98%	# Units* Unit Size Rent/Month Rent/psf	76 475 sf \$3,100 \$6.53	181 700 sf \$4,200 \$6.00	45 1,000 sf \$6,100 \$6.10	N/A	302 688 sf \$4,206 \$6.11
	Comments: Rental. Recently opened in August 2010 and reached stabilization in Mid-2011, a lease-up pace of approximately 27 units per month. The Beatrice has 290 hotel rooms, 302 rental units, and retail at the base. The Beatrice is located on Sixth Avenue. With the exception of hotel services such as room service and maid service, the amenity package is similar to 309 Fifth Avenue; however, all amenities are shared by both hotel guests and residents. Finishes and unit sizes are similar. Views in rental units are superior to many of the units at the Property. Developer: JD Carlisle.							
5.	The Epic 125 West 31 st Street New York, New York	2006 458 98%	# Units* Unit Size Rent/Month Rent/psf	92 450 sf \$2,495 \$5.54	321 718 sf \$3,905 \$5.44	45 1,148 sf \$6,223 \$5.42	N/A	458 706 sf \$3,850 \$5.45
	Comments: Rental. The Epic is LEED Gold certified and is a substantially larger project than 309 Fifth Avenue at 458 units. Amenities are more comprehensive, including an indoor basketball court, billiard room, and a very large fitness center. Building is located mid-block and is not on an avenue. Developer: Durst/Fetner.							

COMPETITIVE PROPERTIES SUMMARY (CONTINUED)



No.	Property/Location	Year Built/ Units/ Occupancy	Unit and Rental Information					
				Studio	1 Bedroom/ 1BR&Den	2 Bedroom	Other (LW/TH/3BR)	Average
	309 Fifth Avenue New York, New York	2014 163 0%	# Units	45	102	16	N/A	163
			Unit Size	468 sf	705 sf	1,059 sf		674 sf
			Rent/Month	\$2,691	\$3,855	\$5,695		\$3,715
			Rent/psf	\$5.75	\$5.47	\$5.38		\$5.51
6.	The Madison Belvedere 10 East 29 th Street New York, New York	1999 397 99%	# Units*	119	119	159	N/A	397
			Unit Size	525 sf	620 sf	980 sf		736 sf
			Rent/Month	\$2,950	\$3,265	\$5,096		\$3,904
			Rent/psf	\$5.62	\$5.27	\$5.20		\$5.31
	Comments: Rental. Madison Belvedere is an older building and does not offer as comprehensive an amenity package as 309 Fifth Avenue. Units do not contain washer-dryers as at 309 Fifth Avenue; however, several units have balconies. Building is mid-block and not on an avenue. The unit mix is heavily weighted toward 2BR units. Developer: Rose Associates							
7.	Sky House 11 East 29 th Street New York, New York	2007 139 N/A	# Units*	N/A	35	69	35	139
			Unit Size		914 sf	1,375 sf	1,600 sf	1,316 sf
			Rent/Month		\$4,650	\$6,933	\$8,500	\$6,753
			Rent/psf		\$5.09	\$5.04	\$5.31	\$5.13
	Comments: Condo. Sky House is a condominium development with rentals by owners. Units cannot achieve a high price psf due to large sizes and the lack of professional leasing. Slightly superior in-unit finishes, inferior amenity package, superior views. Developer: The Clarett Group							

*Unit mix of comparable properties is estimated based on available data

Property Sale Comparables

Six Class A multi-family properties comparable to 309 Fifth Avenue have either sold or are in the process of selling in Manhattan within the past 14 months. The buildings range in delivery dates from 1971 through 2010 with comprehensive renovations completed on all properties delivered before 2004 with the exception of The Sagamore (Comparable 3). Most of the comparable sales have some retail component on the first few floors, although the 48,000 sf of retail at The Corner (Comparable 4) was not part of the sale transaction. Pricing among the seven comparables ranges from \$530,000 to \$1,066,000 per unit with cap rates from 3.7% to 4.5%.

309 Fifth Avenue represents an attractive basis (\$644,000 per unit) relative to these recent market sale comparables, especially in comparison to The Elektra (Comparable 1) and 88 Leonard St (Comparable 2). The Elektra has a slightly superior location but inferior finishes and common areas and it sold for \$753,000 per unit. 88 Leonard, which sold for \$599,000 per unit, has a slightly inferior location and slightly superior amenities; however, it contains 5% affordable units and is a leasehold interest, not fee-simple ownership. If 88 Leonard were fee simple, it would likely have sold for approximately \$279,000,000 (\$793,000 per unit). The attractive land basis, site attributes, and projected all-in cost basis make 309 Fifth Avenue a strong investment proposition relative to sales of existing Class A apartment buildings in Manhattan.

The location of comparable sales can be seen in the map on the following page. Property photographs and a table detailing the sales are included on the following page.

SALE COMPARABLES LOCATOR MAP



SALE COMPARABLES SUMMARY



No.	Name/Location	Size (sf)/ Units/ Avg. Unit Size	Year Built	Sale Date	Sale Price	Cap Rate	Occupancy
	309 Fifth Avenue New York, New York	123,605 sf 163 units 674 sf	2014	TBD	Project Cost	7.1% (Year 4 pro forma)	0%
Comments: Fee-simple ownership with 100% market-rate apartment units. Project includes 109,872 sf residential and 12,750 sf retail. Exit cap underwritten at 5.0%.							
1.	The Elektra 290 3 rd Avenue New York, New York	123,000 sf 166 Units 701 sf	1993	2/11	\$125,000,000 \$753,000/Unit (\$1,016 psf)	3.7%	98%
<p>Buyer: Invesco/Adellco Seller: JP Morgan</p> <p>Comments: Building was completely renovated in 2008. Superior location, but unit finishes and common areas are inferior relative to the Property. Broadly marketed by HFF in late 2010, the minority owner (Adellco) exercised their ROFO and brought in a new majority equity partner (Invesco). The pricing was achieved in spite of significantly above-market in-place debt (56% LTV, 5.8% I/O, 11/13 Maturity), which decreased the equity yield to sub-2% for close to 3 years.</p>							
2.	88 Leonard 88 Leonard Street New York, New York	247,251 sf 352 Units 672 sf	2007	8/11	\$211,000,000* \$599,000/unit (\$894 psf)	4.2%	99%
<p>*Both the square footage and pricing shown here exclude the parking garage (249 spaces), which is leased on a long-term basis at a below market rent to the fee-simple owner of the land (88 Leonard is a leasehold interest).</p> <p>Buyer: Waterton Associates Seller: AFI-USA (Africa Israel Investments)</p> <p>Comments: Located on the outskirts of Tribeca in an inferior residential location to the Property. 88 Leonard is a leasehold interest and the ground lease has 91 years remaining with significant rent steps. If it were fee simple, 88 Leonard would likely sell for approximately \$279,000,000 (\$793,000 per unit or \$1,128 psf). The impact of the undesirable ground lease is partially mitigated by very attractive in-place 80/20 bond financing at a current effective interest rate of 2.5% and 421a tax abatement that does not begin to phase out until 2021. The 421a abatement will be fully phased out by 2029. 88 Leonard also includes a 5% affordable residential component and 4k sf of the 11k sf of retail is reserved for "community use," which decreases the achievable rent for that space to 25% of market rent. Amenities include a whirlpool tub, a party room, doorman, concierge, gardens, and roof decks.</p>							
3.	The Sagamore 189 West 89 th Street New York, New York	225,000 sf 265 Units 685 sf	1997	4/11	\$140,000,000 \$528,000/unit (\$622 psf)	4.2%	99%
<p>Buyer: LaSalle Investment Management Seller: Related Companies</p> <p>Comments: Currently under contract and expected to close the end of March 2011. The Sagamore is comprised of an 80/20 affordable unit mix (20% affordable units) with a 421a tax abatement beginning to phase out in year 2 of the buyer's hold period. Attractive, low-leverage (30% LTV) in-place 80/20 bond financing. Due to the age and cost basis of the building, the in-place rents are impacted by the rent regulation inherent with the 421a tax abatement, which will materially impact the building's rent growth prospects through 2020. This Upper West Side property includes 17,000 sf parking garage and 8,000 sf of retail. Superior location with inferior unit finishes and common areas relative to 309 Fifth Avenue. The sale drew more than 15 qualified bidders.</p>							

SALE COMPARABLES SUMMARY (CONTINUED)



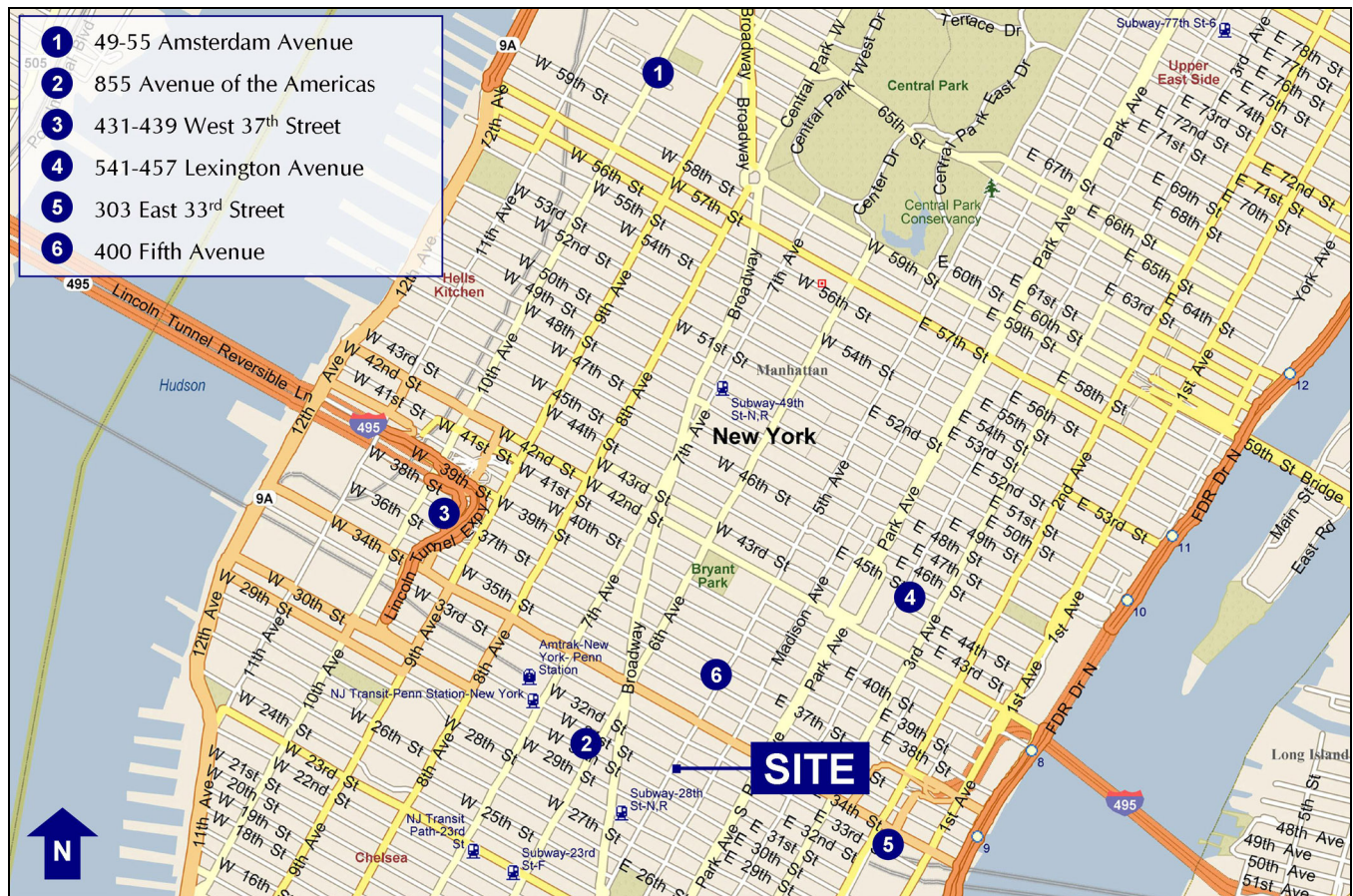
No.	Name/Location	Size (sf)/ Units/ Avg. Unit Size	Year Built	Sale Date	Sale Price	Cap Rate	Occupancy
	309 Fifth Avenue New York, New York	123,605 sf 163 units 674 sf	2014	TBD	Project Cost	7.1% (Year 4 pro forma)	0%
Comments: Fee-simple ownership with 100% market-rate apartment units. Project includes 109,872 sf residential and 12,750 sf retail. Exit cap underwritten at 5.0%.							
4.	The Corner 200 West 72 nd Street New York, New York	155,000 sf 196 units 791 sf	2009	6/11	\$209,000,000 \$1,066,000/unit (\$1,348 psf)	4.3%	98%
<p>Buyer: TIAA-CREF Seller: Gotham Organization, Inc.</p> <p>Comments: The building's first two floors contain 48,000 sf of retail with tenants including Trader Joe's and Duane Reade. The retail component is excluded from the offering. In-place 421a tax abatement begins phasing out in year 3 of buyer's hold period, significantly impacting NOI growth. The Corner is one of the City's premier rental buildings with a superior location and amenity base to the Property. It is at the corner of 72nd Street and Broadway, commanding average residential rents of over \$90 psf (\$7.50 psf monthly).</p>							
5.	10 Hanover Square New York, New York	380,000 sf 493 units 708 sf	1971/ 2005	6/11	\$260,800,000 \$529,000/unit (\$687 psf)	N/A	98%
<p>Buyer UDR, Inc Seller: Witkoff Group</p> <p>Comments: Off-market transaction. Built in 1971 as an office building in New York's financial district, redeveloped into residential units in 2005 by the Witkoff Group. Includes 40,000 sf of retail. The purchase will be funded through assumption of a \$192.0 million mortgage (at a significantly above-market rate of 5.93% fixed), \$64.3 million of operating partnership units, and \$4.5 million in cash. The OP units included the value of a \$25 per share floor price, roughly a 10% discount to market value at the time of the deal.</p>							
6.	A. Longacre House 305 West 50 th Street New York, New York B. 777 Sixth Avenue New York, New York	518,210 sf 587 units 847 sf	1997/ 2000	2/10	\$325,000,000 \$553,663/unit (\$628 psf)	4.3%	98%
<p>Buyer: Equity Residential Seller: The Macklowe Organization</p> <p>Comments: Distressed sale negotiated in 2009. Encumbered by combined \$166.8 million debt (\$86.0 million for Longacre House; \$80.8 million for 777 Sixth Avenue). Property includes two retail spaces of 12,558 sf (Longacre House) and 8,150 sf (777 Sixth Avenue).</p>							

Land Sale Comparables

We have identified six comparable land sales that reflect the market pricing for well-located land that can support multi-family high-rise construction in Manhattan. The site for the Property is priced at approximately \$32.0 million, presenting a relatively attractive land basis of \$261 psf FAR versus the comparable sale range of \$202 to \$402 psf FAR. The relative value of the site at 309 Fifth Avenue is further enhanced because the affordable housing otherwise required to qualify for the 421a tax abatement has been met offsite by the Land Owner. This lack of an affordable housing requirement is a valuable rarity that is unlikely to be found in the vast majority of other 421a-eligible development sites in New York City. Finally, the Property site is already improved with a partially complete foundation, significantly reducing early-stage construction costs and risk.

The following map and table detail recent comparable land sales.

LAND SALE COMPARABLES LOCATOR MAP



LAND SALE COMPARABLES SUMMARY

No.	Property/Location	Date	Purchase Price	Site (sf)	Total FAR (sf)	Price/FAR sf
	309 Fifth Avenue New York, New York	TBD	\$32,000,000	8,400	141,136	\$261
	<i>Comments: Value of the land is enhanced by the 421a tax abatement affordable housing requirement that has been met offsite by the current Land Owner, as well as the value of the partially complete foundation.</i>					
1.	49-55 Amsterdam Avenue New York, New York	1/11	\$125,000,000	9,900	409,889	\$305
	<i>Buyer: Glenwood Management Seller: Fordham University</i> <i>Comments: Proposed rental multi-family development with affordable units, ground retail and parking spaces. The site has a superior location and is a much larger development than 309 Fifth Avenue.</i>					
2.	855 Ave of the Americas (at 30 th Street) New York, New York (Herald Square Development Site)	12/10	\$104,500,000	N/A	355,000	\$285
	<i>Buyer: Durst/Fetner Seller: iStar</i> <i>Comments: Note sale. The buyer will need to through the foreclosure process to take title to the property. Planned for an 80/20 multi-family development. The site location is slightly superior and is immediately adjacent to The Continental, a competitive property to 309 Fifth Avenue.</i>					
3.	431-439 West 37 th Street (between 9 th and 10 th Avenues) New York, New York	12/10	\$18,700,000	14,241	97,567	\$202
	<i>Buyer: Jackson Development Group Seller: JP Morgan/Gemstone</i> <i>Comments: Proposed multi-family development. Inferior site location on the far west side with inferior public transportation access. The development site is within the Hudson Yards redevelopment area.</i>					
4.	451-457 Lexington Avenue New York, New York	11/10	28,700,000	13,585	78,750	\$364
	<i>Buyer: 451 Lexington Realty Seller: RFR Realty</i> <i>Comments: Proposed mixed-use multi-family. Currently two- story retail leased to McDonald's and single-story retail leased to Sbarro. Superior site location with immediate transportation access, a few blocks from Grand Central Station.</i>					
5.	303 East 33 rd Street New York, New York	4/08	56,650,000	15,812	141,093	\$402
	<i>Buyer: Toll Brothers Seller: Kibel Company</i> <i>Comments: Toll Brothers condominium development in Murray Hill. The site is less than a mile east of 309 Fifth Avenue with comparable site characteristics.</i>					
6.	400 Fifth Avenue (at 36 th Street) New York, New York	1/06	193,000,000	N/A	550,000	\$350
	<i>Buyer: BI&DI Real Estate Company Seller: Lehman Brothers JV Yitzhak Tessler</i> <i>Comments: The site of the Setai Fifth Avenue condominium and hotel development that was completed in 2010. Five blocks north of 309 Fifth Avenue in a slightly superior location.</i>					

Retail Lease Comparables

Eight lease comparables in four buildings are included to reflect recent terms for retail spaces similar to the Property. Retail lease rates vary considerably in Manhattan depending upon micro-location, building age and quality, ceiling heights, frontage, etc. The comparables detailed below range from \$105 to \$215 psf nnn. Lease terms have most frequently been ten years. Ground-floor space with a glass component on an avenue has been attractive to a variety of national tenants in the submarket as evidenced by Chase Bank leasing 6,200 sf at 225 Fifth Avenue (Comparable 1), and City Sports leasing 20,000 sf on street and basement level of 389 Fifth Avenue (Comparable 2), David's Bridal (12,000 sf), and T-Mobile (2,500 sf) at 735 Sixth Avenue (Comparable 4). The retail space at the Property will have significant advantages over the comparables in the market offering 36.5 feet of window frontage on Fifth Avenue with column-free space and higher ceilings than most comparable submarket properties.

RETAIL LEASE COMPARABLES LOCATOR MAP



RETAIL LEASE COMPARABLES SUMMARY



No.	Property/Location	Tenants	Size (sf)	Date	Lease Rate (psf) nnn	TIs (psf)	Term
1.	309 Fifth Avenue New York, New York	TBD (Street-Level)	6,350	4/13	\$150	\$50	10 yrs
		TBD (Basement)	6,400	4/13	\$35	\$50	10 yrs
1.	The Grand Madison 225 Fifth Avenue East block btw. 26 th & 27 th Sts New York, New York	Chase – Ground Floor	6,200	2007	\$215	None	
		<i>Comments: Full-service bank branch. Corner Retail within a condominium building, 4 blocks south of 309 Fifth Avenue. Large exterior columns that do not allow for continuous glass storefront. Retail ceiling heights are good. Location is slightly superior to the Property.</i>					
2.	389 Fifth Avenue East block btw. 36 th & 37 th Sts New York, New York	Pret A Manger – Ground Floor	2,000	2010	\$200	None	10 yrs
		<i>Comments: Casual restaurant and café. Corner Retail within an office building four blocks north of 309 Fifth Avenue in an older building. Location is slightly superior to 309 Fifth Avenue.</i>					
3.	390 Fifth Avenue West block btw. 36 th & 37 th Sts New York, New York	City Sports - Ground Floor	9,000	8/05	N/A	None	15 yrs
		City Sports - Basement	11,000	8/05	N/A	None	15 yrs
		Blended Total	20,000		\$135		
		<i>Comments: Sporting goods and clothing retailer. Mid-block retail with continuous glass storefront. Ceiling heights are inferior to 309 Fifth Avenue (± 12') and the office building immediately above is aging and unattractive.</i>					
4.	Chelsea Stratus 735 Sixth Avenue West block btw. 24 th & 25 th Sts	David's Bridal – Ground Floor	10,500	5/08	N/A	None	10 yrs
		David's Bridal – Basement	1,500	5/08	N/A	None	10 yrs
		Blended Total	12,000		\$138		
		<i>Comments: Bridal attire retailer. Residential building located along Sixth Avenue between 24th and 25th Street. Storefront design and opacity of glass create difficulties for retailers. The David's Bridal space is the largest space in this building with frontage on the corner of 25th and Sixth Avenue and along Sixth Avenue.</i>					
		Victoria Nails – Ground Floor	1,032	4/08	\$175	None	10 yrs
		<i>Comments: Nail Salon. Mid-block retail bay.</i>					
		T-Mobile – Ground Floor	2,500	3/08	\$210	None	10 yrs
		<i>Comments: Cell phone store. Corner retail bay.</i>					
		Liquor Store – Ground Floor	1,150	3/10	\$105	None	10 yrs
		<i>Comments: Mid-block retail bay.</i>					
		Liberty Travel – Ground Floor	1,150	6/10	\$116	None	10 yrs
		<i>Comments: Travel agent. Mid-block retail bay.</i>					

* Term lengths and lease dates are approximate based on information available.

Condominium Sale Comparables

In order to fully analyze the investment potential of the 309 Fifth Avenue Project site, an in-depth analysis was also conducted into the feasibility of building a for-sale condominium project rather than a rental building. Below is an analysis of closed sale comparables in 2011 in the area deemed to be competitive to the 309 Fifth Avenue location for condo buyers. The data was provided by Halstead Property, one of the largest and most visible residential real estate brokerage firms in New York City. The data and analysis following two pages indicates an average sale price per square foot of \$1,256 for the most comparable properties to 309 Fifth Avenue. For the purposes of the financial analysis of the condominium scenario, we have assumed a slightly higher achievable average sell-out price of \$1,300 psf. Please refer to Exhibit D-3 for the full data set of comparables sales from Halstead and see the end of the Financial Analysis Section (Section 6) for a brief overview of the results of the condo scenario.

309 5th Avenue - 2011 Condo Sale Comparables							
Address	Unit	Price	Date Sold	Sq Ft	Bedrooms	Bath	Price psf
101 West 24th Street	10H	1,090,000	9/19/2011	834	1	1	1,307
101 West 24th Street	11H	683,000	7/25/2011	834	1	1	819
101 West 24th Street	16C	1,110,000	9/27/2011	793	1	1.5	1,400
101 West 24th Street	19C	1,180,000	1/27/2011	793	1	1.5	1,488
101 West 24th Street	4C	1,125,000	8/11/2011	874	1	1.5	1,287
101 West 24th Street	4H	1,125,000	5/25/2011	836	1	1.5	1,346
101 West 24th Street	6H	1,050,000	7/15/2011	841	1	1	1,249
325 Fifth Avenue	11D	1,050,000	7/27/2011	899	1	1.5	1,168
325 Fifth Avenue	19G	929,000	7/18/2011	816	1	1	1,138
325 Fifth Avenue	24D	1,080,000	6/16/2011	899	1	1.5	1,201
325 Fifth Avenue	9G	850,000	8/26/2011	816	1	1	1,042
39 East 29th Street	13C	1,050,000	6/3/2011	785	1	1	1,338
39 East 29th Street	21B	1,215,000	9/15/2011	855	1	1	1,421
39 East 29th Street	22B	1,230,000	8/26/2011	855	1	1	1,453
39 East 29th Street	22D	1,200,000	7/22/2011	826	1	1	1,453
39 East 29th Street	25B	1,237,000	2/15/2011	855	1	1	1,447
39 East 29th Street	26B	1,300,000	4/21/2011	855	1	1	1,520
39 East 29th Street	27B	1,355,000	6/30/2011	855	1	1	1,585
39 East 29th Street	30B	1,250,000	9/29/2011	855	1	1	1,462
39 East 29th Street	7D	840,000	3/29/2011	792	1	1	1,061
39 East 29th Street	8C	947,500	5/23/2011	785	1	1	1,207
425 Fifth Avenue	26D	860,000	5/27/2011	777	1	1	1,107
425 Fifth Avenue	26F	900,000	2/16/2011	846	1	1	1,064
425 Fifth Avenue	41B	1,240,000	1/20/2011	1,109	1	1.5	1,118
425 Fifth Avenue	43D	1,175,000	7/11/2011	987	1	1.5	1,190
425 Fifth Avenue	44D	1,155,000	7/27/2011	980	1	1.5	1,179
445 Fifth Avenue	10D	615,000	3/29/2011	671	1	1	917
445 Fifth Avenue	19A	772,000	2/1/2011	701	1	1	1,101
445 Fifth Avenue	21G	685,000	3/1/2011	606	1	1	1,130
445 Fifth Avenue	22F	690,000	9/1/2011	639	1	1	1,080
45 Park Avenue	1404	1,290,000	8/4/2011	913	1	1.5	1,413
45 Park Avenue	604	995,000	4/20/2011	906	1	1.5	1,098
Average Price							\$1,039,797
Average Price per sf							\$1,247

Address	Unit	Price	Date Sold	Sq Ft	Bedrooms	Bath	Price psf
101 West 24th Street	10A	1,585,000	10/25/2011	1,127	2	2	1,406
101 West 24th Street	11B	1,700,000	5/26/2011	1,242	2	2	1,369
101 West 24th Street	12E	1,750,000	10/24/2011	1,113	2	2	1,572
101 West 24th Street	16B	1,750,000	3/30/2011	1,242	2	2	1,409
101 West 24th Street	17E	1,567,500	2/8/2011	1,113	2	2	1,408
101 West 24th Street	24E	1,780,000	8/25/2011	1,113	2	2	1,599
101 West 24th Street	30A	1,800,000	3/29/2011	1,127	2	2	1,597
101 West 24th Street	31A	1,800,000	1/7/2011	1,127	2	2	1,597
101 West 24th Street	33C	3,201,050	7/20/2011	1,673	2	2.5	1,913
101 West 24th Street	34A	2,495,000	5/23/2011	1,555	2	2.5	1,605
101 West 24th Street	34B	3,000,000	5/20/2011	1,584	2	2.5	1,894
101 West 24th Street	37A	2,625,000	4/5/2011	1,555	2	2.5	1,688
11 East 29th Street	10C	1,550,000	3/11/2011	1,374	2	2	1,128
11 East 29th Street	22C	1,693,000	3/15/2011	1,374	2	2	1,232
11 East 29th Street	25A	1,850,000	11/3/2011	1,601	2	2.5	1,156
11 East 29th Street	40B	1,520,000	9/30/2011	1,150	2	2	1,322
11 East 29th Street	44B	1,625,000	5/20/2011	1,150	2	2	1,413
11 East 29th Street	45B	1,691,000	7/12/2011	1,150	2	2	1,470
325 Fifth Avenue	19C	1,502,600	3/2/2011	1,282	2	2	1,172
325 Fifth Avenue	30F	1,600,000	5/13/2011	1,221	2	2	1,310
39 East 29th Street	15A	1,525,000	3/31/2011	1,159	2	2	1,316
39 East 29th Street	24C	2,017,500	6/15/2011	1,303	2	2.5	1,548
39 East 29th Street	28C	2,190,000	10/12/2011	1,303	2	2	1,681
39 East 29th Street	30C	2,250,000	3/24/2011	1,438	2	2.5	1,565
425 Fifth Avenue	34D	1,525,000	2/4/2011	1,129	2	2	1,351
425 Fifth Avenue	58A	1,950,000	6/22/2011	1,203	2	2	1,621
425 Fifth Avenue	59B	2,200,000	9/16/2011	1,315	2	2	1,673
45 Park Avenue	305	1,500,000	1/25/2011	1,245	2	1.5	1,205
45 Park Avenue	701	2,050,000	1/20/2011	1,494	2	2.5	1,372
Average Price:							\$1,906,643
Average Price Per SF:							\$1,476

Average price (combined):	\$1,451,904
Average Price per sf (Combined)	\$1,381

This data is comprised of all 2011 sales for doorman buildings from Park Avenue to 6th Avenue between 23rd and 42nd Streets

Sales Broken Down By Building - Most Comparable Buildings

325 Fifth Avenue

Address	Unit	Price	Date Sold	Sq Ft	Bedrooms	Bath	Price psf
325 Fifth Avenue	11D	1,050,000	7/27/2011	899	1	1.5	1,168
325 Fifth Avenue	19G	929,000	7/18/2011	816	1	1	1,138
325 Fifth Avenue	24D	1,080,000	6/16/2011	899	1	1.5	1,201
325 Fifth Avenue	9G	850,000	8/26/2011	816	1	1	1,042
325 Fifth Avenue	19C	1,502,600	3/2/2011	1,282	2	2	1,172
325 Fifth Avenue	30F	1,600,000	5/13/2011	1,221	2	2	1,310
Average PricePer SF:							\$1,182

425 Fifth Avenue

Address	Unit	Price	Date Sold	Sq Ft	Bedrooms	Bath	Price psf
425 Fifth Avenue	26D	860,000	5/27/2011	777	1	1	1,107
425 Fifth Avenue	26F	900,000	2/16/2011	846	1	1	1,064
425 Fifth Avenue	41B	1,240,000	1/20/2011	1,109	1	1.5	1,118
425 Fifth Avenue	43D	1,175,000	7/11/2011	987	1	1.5	1,190
425 Fifth Avenue	44D	1,155,000	7/27/2011	980	1	1.5	1,179
425 Fifth Avenue	34D	1,525,000	2/4/2011	1,129	2	2	1,351
425 Fifth Avenue	58A	1,950,000	6/22/2011	1,203	2	2	1,621
425 Fifth Avenue	59B	2,200,000	9/16/2011	1,315	2	2	1,673
Average Price Per SF							\$1,319

45 Park Avenue

Address	Unit	Price	Date Sold	Sq Ft	Bedrooms	Bath	Price psf
45 Park Avenue	1404	1,290,000	8/4/2011	913	1	1.5	1,413
45 Park Avenue	604	995,000	4/20/2011	906	1	1.5	1,098
45 Park Avenue	305	1,500,000	1/25/2011	1,245	2	1.5	1,205
45 Park Avenue	701	2,050,000	1/20/2011	1,494	2	2.5	1,372
Average Price Per SF:							\$1,280

11 East 29th Street

Address	Unit	Price	Date Sold	Sq Ft	Bedrooms	Bath	Price psf
11 East 29th Street	10C	1,550,000	3/11/2011	1,374	2	2	1,128
11 East 29th Street	22C	1,693,000	3/15/2011	1,374	2	2	1,232
11 East 29th Street	25A	1,850,000	11/3/2011	1,601	2	2.5	1,156
11 East 29th Street	40B	1,520,000	9/30/2011	1,150	2	2	1,322
11 East 29th Street	44B	1,625,000	5/20/2011	1,150	2	2	1,413
11 East 29th Street	45B	1,691,000	7/12/2011	1,150	2	2	1,470
Average Price Per SF:							\$1,273

Average (Most Comparable)	\$1,256
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Section 6: Financial Analysis

FINANCIAL ANALYSIS

This section presents the assumptions and results of the financial analysis for 309 Fifth Avenue as a rental apartment project. The Project was also analyzed as a for-sale condominium project; those assumptions and financial analysis results can be found in Exhibit C-1.

Land closing is assumed to occur in March 2012, at which time the land would be purchased by the newly formed Project JV, which would simultaneously close with the construction mini-perm lender. The financial analysis assumes a start date of March 1, 2012 and a disposition date of February 28, 2017. The analysis consists of a base case, an optimistic case, and a pessimistic case. Each case is analyzed using a holding period of 5 years. Included with this narrative are the Base Case Cash Flow Projections. Below is a condensed version of the project development budget. A more detailed version can be found in Exhibit A-1.

Project Budget

The project budget summarized in the table below is based on a hard cost budget estimate from Lend Lease and a soft cost budget based on market knowledge, experience with similar projects, and discussions with key A&E providers (Architects, Structural Engineers, Etc). For a detailed version of the hard cost budget please see Exhibit A-3.

Project Development Budget			
	Total	PSF	Per Unit
Land/Closing/DD Costs	\$33,500,000	\$273	\$205,521
Hard Costs	53,263,000	434	326,767
Soft Costs	12,262,000	100	75,227
Financing Costs	6,013,000	49	36,890
Total Development Budget	\$105,038,000	\$857	\$644,405

Project Capitalization

The assumed capital structure is 65% Debt and 35% Equity, as detailed in the table below. For the purposes of this analysis we have assumed that project will be funded 100% with equity until the equity ownership group has funded its required 35%; after which the lender would fund the balance of the capital requirements through project stabilization. If the project were to exceed the budget then the equity investors would be required to fund additional capital as necessary. The lender's funding requirement is expected to be capped at \$67,850,000.

Project Capitalization Summary		
	Amount	% of Total
Debt	67,850,000	64.6%
Investor Equity	33,469,000	31.9%
Developer Equity	3,719,000	3.5%
Total Development Budget	\$105,038,000	100%

Financing Terms

Below are all the key terms and metrics associated with the assumed financing for the project. These financing terms are based on conversations with JP Morgan Chase, an active construction mini-perm lender for Multifamily Development Projects in New York City. Because the loan is a combination of a construction loan and permanent loan in one, the interest will accrue for the first 36 months of the loan term. Starting in Month 37 the loan will begin to amortize with principal and interest payments due monthly to be paid from the cash flow of the stabilized project. The loan will be non-recourse other than standard carve-outs and KDK will be responsible for providing a completion guarantee.

Loan to Cost Ratio (LTC): 65%

Loan Amount (Max Draw): \$67,850,000

Term: 60 Months

Interest Rate: 4.75% Fixed

Amortization: Interest only for 36 months, 30-year amortization thereafter

Lender Fees: 1.0% Origination Fee (an additional 0.20% is assumed for lender/borrower legal and other loan costs)

Mortgage Recording Tax: 2.8% of Maximum Loan Amount

Underwriting Details

Stabilization

The Property is forecasted to stabilize at an overall economic occupancy rate of 96.7% in year 4 of the investment. The assumed lease-up of the Property is based on a straight-line average absorption schedule over a six-month period (inclusive of 1-month of pre-leasing). While 96.7% occupancy is conservative for Class A New York City Apartments; we have utilized this inflated economic loss allowance to account for the risk of failed retail tenants which would require a re-leasing of the retail space.

Economic Loss and Rent Concessions

In addition to the 3.3% structural vacancy loss described above, the model also assumes an additional economic loss of 1.23% for one non-revenue unit (for a live-in building superintendent). Additionally, one month of free rent has been applied during the initial lease-up period.

Other Income Assumptions

309 Fifth Avenue is forecasted to generate a significant amount of income from non-residential sources, most notably from retail space. The retail component will have two levels: street and basement. The storage income is based on expected rentable storage area in the sub-basement (B-2). Below is a chart detailing the non-residential income assumptions:

Other Income (Annually) - Year 4	
	Amount
Street-Level Retail (6,350 sf)	\$952,500
Basement-Level Retail (6,400 sf)	228,480
Sub-basement Storage (6,400 sf)	162,699
RE Tax Reimbursement From Retail	64,438
Total Other Income	\$1,273,000

The 12,750 sf of rentable retail space (excluding the basement storage space, which is not included in the NRA) represents 10.4% of the net rentable area of the building. The analysis assumes that the retail space is preleased with rent commencement to occur in March 2015. The initial lease terms for the retail spaces are projected to be \$150 psf nnn for the street-level space and \$35 psf nnn for the basement-level space with 10-year lease terms, \$50 psf tenant improvement allowances, and 2% annual rent increases. These assumptions are based largely on input from RKF, a highly regarded New York City retail brokerage firm.

Operating Expenses

The following table shows the stabilized pro forma operating expenses based on an operating budget estimate provided by Cooper Square Realty, Inc. Cooper Square is contemplated to be the property manager for the Property upon completion. All operating expenses are assumed to inflate by 3% annually, with the exception of real estate taxes, which increase annually per the estimates provided by local NYC real estate tax attorney Joel Marcus of Marcus and Pollack LLP. The real estate tax projections are heavily influenced by the Property's inclusion in the 421a real estate tax abatement program. More detail on the 421a tax abatement is provided below.

Stabilized Pro Forma Operating Expenses – Year 4			
Expense	Pro Forma Amount	Per Unit	PSF
Real Estate Taxes (after abatement)	\$619,596	\$3,801	\$5.05
Payroll and Related	796,314	4,885	6.49
General & Administrative	42,332	260	0.35
Utilities	334,237	2,051	2.73
Repairs & Maintenance	169,223	1,038	1.38
Marketing/Leasing	72,100	442	0.59
Insurance	85,830	527	0.70
Other	61,800	379	0.50
Management Fee	210,627	1,292	1.72
Replacement Reserves	57,050	350	0.47
Total	\$2,449,109	\$15,025	\$19.97

421a Real Estate Tax Abatement

The Property is expected to be eligible for full benefits from the 421a real estate tax abatement program. The 421a program is governed by the NYC Department of Housing Preservation and Development (“HPD”). Eligibility for the 421a program is “of right” with very clear guidelines; however, due to the recession and prevalence of stalled projects, the New York State legislature recently amended the program. The statute governing the program previously stated that in order for a project to qualify as “of right” for the full tax abatement, construction of the project must have started prior to June 30, 2008 and must be completed no later than June 30, 2012. Although construction commenced on the site prior to July 2008, 309 Fifth Avenue would not qualify under the current statute because the Property will not be complete by June 30, 2012.

HPD has revised the 421a statute which extends the completion deadline for projects started prior to June 30, 2008 to 84 months rather than the current 48-month rule. This change to 84 months will extend the completion deadline for the Property to June 30, 2015, 9 months following our expected completion date (September 2014). Below is a summary of the 421a benefits.

The 421a tax abatement program freezes real estate taxes due for the Property to a payment based on the current assessed value of the land. The current taxes are approximately \$229,000 per year. Once the Property is stabilized, the taxes begin to phase in at a rate of 20% of the full tax rate every two years until the Property reaches 100%. Because construction of the Property technically began in 2008, the abatement period starts as of the January of the following year (2009). Below is a chart showing the projected annual real estate taxes for the Property as the 421a tax abatement phases out and taxes phase in.

Real Estate Tax Exemption Period		
Exemption Period	FY Start	FY End
100% Exemption	January-09	December-14
80% Exemption	January-15	December-16
60% Exemption	January-17	December-18
40% Exemption	January-19	December-20
20% Exemption	January-21	December-22

Rent Regulation Due To 421a Benefits

If 309 Fifth Avenue is included in the 421a abatement program, all residential units in the Property will technically be rent-regulated. In all likelihood, this rent regulation will not have an impact on the Property's ability to achieve annual rent growth equal to or in excess of market rent growth because the baseline upon which the rent regulation is measured will be well above the actual market rent projected for the Property. The baseline for the rent regulation is called Legal Rent, which is determined by a formula generated by the NYC Department of Housing and Community Renewal (DHCR). Based on guidance from Marcus and Pollack LLP, this formula will yield a Legal Rent that is in excess of our projected initial market rents by over 60%. The main reason that the DHCR formula yields such a comparatively high Legal Rent is that the formula was originally intended to ensure that developers receive at least a 14% return on cost prior to any impact of the rent regulation.

During lease-up, the tenants will be offered an initial rent known as a Preferential Rent. Preferential Rents will be well below the Legal Rent, but will be reflective of current market rent. Following initial lease-up, the maximum rent allowable for each unit will be equal to Legal Rent plus annual percentage increases set forth by the Rent Guidelines Board ("RGB"). These annual increases per the RGB have ranged from 2.2% to 4.5% over the past five years. Because the spread between projected market rents and Legal Rent is so great, it is very unlikely rent regulation will have any impact on the Property's value or ability to achieve full market rents. Average market rent growth would have to exceed 9.0% annually over the 10-year period following project completion before having a negative impact.

Holding Period/Disposition

The opportunity has been analyzed using a 5-year holding period, commencing upon the purchase of the site in March 2012. The disposition amount is estimated by applying a 5.0% reversion capitalization rate to the year 6 net operating income, resulting in a base case gross reversion value of approximately \$154,003,000 (\$944,803 per unit or \$1,256 psf).

Summary of Financial Returns

Base Case/Optimistic Case/Pessimistic Case

The investment analysis consists of a base case (as outlined above), an optimistic case, and a pessimistic case. The three cases have identical assumptions except for the variances in the table below:

BASE CASE/OPTIMISTIC CASE/PESSIMISTIC CASE			
Assumptions	Base Case	Optimistic Case	Pessimistic Case
2011 Average Market Rent (psf) (+/- 10%)	\$5.51	\$6.06	\$4.96
2011 Blended Retail Market Rent (psf) (+/- 15%)	\$92.27	\$101.50	\$83.05
Reversion Cap Rate (+/- 50 bps)	5.00%	4.50%	5.50%

Pro Forma Financial Returns

SUMMARY OF FINANCIAL RETURNS			
	Base Case	Optimistic Case	Pessimistic Case
Year 4 (Stabilized Returns)			
Unleveraged ROI:	7.1%	8.0%	6.2%
Leveraged (Cash on Cash):	7.6%	10.0%	5.1%
IRR (5-Year Hold)			
Unleveraged:	13.6%	19.6%	7.3%
Leveraged:	19.0%	27.9%	8.1%
Gross Sale Proceeds:	\$154,003,000	\$191,101,000	\$121,478,000
Gross Sale psf:	\$1,256	\$1,558	\$991
Gross Sale per unit:	\$944,803	\$1,172,400	\$745,264

Base Case – Exit Cap Rate Sensitivity Matrix

	Exit Cap Rate (Year 5)				
	4.50%	4.75%	5.00%	5.25%	5.50%
Gross Sale Proceeds	\$171,114,467	\$162,108,442	\$154,003,020	\$146,669,543	\$140,002,745
Per Sqft	\$1,395	\$1,322	\$1,256	\$1,196	\$1,142
CAGR	27.6%	24.2%	21.1%	18.2%	15.5%
Unleveraged IRR	16.4%	15.0%	13.6%	12.4%	11.2%

Condominium Scenario Financial Analysis

Project Budget

The project budget summarized in the table below is based on a hard cost budget estimate from Lend Lease and a soft cost budget based on market knowledge, experience with similar projects, and discussions with key A&E providers (Architects, Structural Engineers, Etc). The hard cost budget from Lend Lease was inflated by 10% over the Rental scenario to account for the higher expense of finishes, common areas, furnishings, etc in a for-sale condo project.

Project Development Budget (Condo Scenario)				
Uses of Funds	\$ Amount	% Total	Per Unit	Per RSF
Land Costs	\$33,500,000	29.6%	\$257,692	\$273.13
Hard Costs	57,743,620	51.0%	\$444,182	\$470.80
Soft Costs	9,960,000	8.8%	\$76,615	\$81.21
Retail Leasing	1,473,511	1.3%	\$11,335	\$12.01
Development Fees	2,708,145	2.4%	\$20,832	\$22.08
Financing Fees	2,830,994	2.5%	\$21,777	\$23.08
NOL/Capitalized Interest	5,023,504	4.4%	\$38,642	\$40.96
		0.0%	\$-	\$-
Total Uses of Funds	\$113,239,774	100.0%	\$ 871,075	\$ 923.28

Project Capitalization

The assumed capital structure for the condominium scenario is 50% Debt and 50% Equity, as detailed in the table below. For the purposes of this analysis we have assumed that project will be funded 100% with equity until the equity ownership group has funded its required 50%; after which the lender would fund the balance of the capital requirements through project stabilization. If the project were to exceed the budget then the equity investors would be required to fund additional capital as necessary. The lender's funding requirement is expected to be capped at \$56,619,887.

Project Capitalization Summary		
	Amount	% of Total
Debt	56,619,887	50.0%
Investor Equity	50,957,898	45.0%
Developer Equity	5,661,989	5.0%
Total Development	\$113,239,774	100%

Financing Terms

Below are all the key terms and metrics associated with the assumed financing for the project as a for-sale condominium. These financing terms are based on conversations with Cooper Horowitz, an active debt placement firm for Multifamily Condo Development Projects in New York City. The loan is assumed to be paid back first as condo sales close. Once the full principal balance is paid back then the net sale proceeds going forward flow back to the equity investors.

Loan to Cost Ratio (LTC): 50%

Loan Amount (Max Draw): \$56,619,887

Term: Up to 48 Months

Interest Rate: 7.0% Fixed

Amortization: Interest only

Lender Fees: 2.0% Origination Fee (an additional 0.20% is assumed for lender/borrower legal and other loan costs)

Mortgage Recording Tax: 2.8% of Maximum Loan Amount

Underwriting Assumptions (Condo Scenario)

For details on the condominium scenario underwriting and financial results please see Exhibit C.

Summary of Financial Returns (Condo Scenario)

Summary of Financial Returns Base Case	
Holding Period	48 Months
Unleveraged IRR	15.22%
Unleveraged Equity Multiple	1.39x
Leveraged IRR	15.30%
Leveraged Equity Multiple	1.60x
Leveraged:	19.00%

Section 7: Development Plan

DEVELOPMENT PLAN

Timeline

The table below identifies the key milestone dates and duration associated with each key stage of the development plan. A graphical version of this development schedule can be found in Exhibit A-2.

309 FIFTH AVENUE DEVELOPMENT TIMELINE		
Key Development Milestone	Start	Finish
Closing on Land/Loan Closing/JV Formation	3/1/2012	3/31/2012
Design/A&E/Construction Documents	3/1/2012	7/31/2012
Finalize GMP Construction Contract	5/1/2012	7/31/2012
Department of Buildings Drawing Approval	7/1/2012	8/30/2012
Procurement of Building Permit	7/1/2012	8/30/2012
Construction	9/1/2012	8/30/2014
1st TCO (Floors 1-10)	7/1/2014	9/30/2014
2nd TCO (Floors 11-20)	9/1/2014	10/31/2014
Final TCO (Floors 21-34)	10/1/2014	11/30/2014
Residential Lease-up	9/1/2014	1/31/2015

Project Team

KDK Development Partners has assembled a best-in-class development team to execute the plan envisioned for 309 Fifth Avenue. All of the team members have deep experience building similar projects in Manhattan and will collectively help to mitigate some of the risk of operating in such a complicated, urban in-fill site.

Architect



Founded in New York City in 1941, SLCE Architects has a proud heritage of creating architecture in the world's most complex urban environments. SLCE provides a full range of architectural design and technical services with special expertise in large scale residential, hospitality, mixed-use, and commercial developments.

SLCE has unrivaled experience in collaborative projects and the essential technical expertise required for the successful completion of every project. In recent decades SLCE has grown to become one of the most prolific firms in the New York City metropolitan area and enjoys a growing presence nationally. SLCE is currently pursuing projects in growth markets throughout the world.

General Contractor



Lend Lease is one of the world's leading project management and construction companies, known for its ability to deliver high-quality projects on time and budget. They provide innovative and industry-leading project management, construction and design services in Australia, Asia, the Americas and Europe and the Middle East. While their services vary in different countries and markets, our comprehensive offering includes project and program management, design and construction, construction management, design management, multi-site solutions and consulting. The in-house design teams combine traditional design skills with specialist technical capabilities in areas ranging from architectural and urban design to strategic procurement. Finally, Lend Lease's focus on sustainable design has also won green rating certification for many of our buildings globally. Lend Lease is a very active GC in New York City and has constructed many similar apartment buildings around the city. They are well regarded and known for delivering on-time, on-budget, and they have the backing of a very large corporate balance sheet.

Residential Leasing Consultant



Nancy Packes, Inc. ("NPI") will serve as the residential leasing consultant for the Project. NPI is one of the most renowned residential consultants in New York City. Their services will include heavy involvement in the design process to ensure that the common areas and apartment units are designed and laid out to ensure maximum rents and leasing velocity in the market. NPI will also manage the entire lease-up process as the Project delivers. One key to NPI's value as a consultant is their research department. They have a proprietary database of competitive buildings and always have "finger on the pulse" of the residential leasing market in Manhattan. Attached as Exhibit D-1 is the Nancy Packes Inc. Mid-Year 2011 Rental Report.

Retail Leasing Broker



RKF is the market leader in retail leasing, investment sales and consulting services. They are transforming the retail landscape in positive and exciting ways in markets throughout the country.

Headquartered in New York City with offices in Las Vegas, Los Angeles, New Jersey, Miami and San Francisco, RKF professionals have years of hands-on experience in all aspects of retail real estate. They provide the most recognized domestic and international retailers, developers, owners and institutions with expert advice and customized solutions across a range of disciplines.

RKF was founded in 1998 by Robert K. Futterman to service the specialized retail real estate needs of retailers, property owners, developers and investors. RKF quickly established itself as the leading retail real estate firm in the New York Metropolitan area. As the retail landscape expanded and retailers and owners entered new markets, they increasingly turned to RKF. To meet this demand, RKF extended its presence from its headquarters in New York City and now has offices in Las Vegas, Los Angeles, New Jersey, Miami and San Francisco.

RKF's roots are in Manhattan Retail and they are one of the best retail brokerage firms to have on the team due to their experience with maximizing retail rents in new construction projects. There are many decisions to be made during design and construction and small errors in how the retail space is laid out or serviced can have a major impact on what retail tenants will be willing to lease the space and pay top dollar rent.

Property Manager



Cooper Square Realty is the largest residential property management company in New York City and also offers project management and energy management services. Cooper Square's portfolio comprises upwards of 450 condominiums, cooperatives, and rental properties with an aggregate value of over \$6 billion. The company manages more than 70,000 residences that are home to more than 200,000 people. These include distinctive lifestyle properties such as The Plaza Residences, luxury residential towers, new developments, prewar landmark buildings, and apartment complexes. Cooper Square holds an interest in Abigail Michaels Concierge, an industry leading concierge company with more than 50,000 clients.

Conclusion

KDK Development Partners intends to develop 309 Fifth Avenue as a Class A, core, mixed-use multi-family rental project. Based on our underwriting, this is the highest and best use for the property, with returns that significantly exceed the more risky prospect of developing the site as a for-sale condominium project. The rental scenario is projected to produce a 5-year leveraged IRR of 19%, whereas the condo scenario is projected to yield only a 15.3% leveraged IRR over a 4-year hold. The rental strategy is even more compelling given the significantly lower risk profile of rental development versus condominium development.

KDK Development Partners understands that all real estate development projects come with some risks, but with the project team assembled and the underwriting completed to date, we feel that we have taken many steps to greatly mitigate these risks, providing a very compelling opportunity for equity partners to invest with us in this Project.

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MLA formatting

Exhibits

Exhibit A

- 1)Summary Project Budget (Rental Scenario)
- 2)Development Schedule
- 3)Lend Lease Detailed Hard Cost Budget

Exhibit B

- 1)Summary of Returns
- 2)Annual Project Cash Flows
- 3)Monthly Project Cash Flow
- 4)Loan Funding Schedule
- 5)IRR Calculation Table
- 6)Assumptions
- 7)Lease-up Schedule

Exhibit C

- 1)Condo Financial Analysis Assumptions and Summary Page
- 2)Condo Scenario Project Budget
- 3)Condo Sales Summary
- 4)Condo Annual Cash Flow Schedule
- 5)Condo Monthly Cash Flow Schedule
- 6)Retail Cash Flow Summary (Condo Scenario)
- 7)Condo Scenario Unit Mix

Exhibit D

- 1)Nancy Packes Mid-Year 2011 Rental Report
- 2)Brown Harris Stevens Condo Market Report
- 3)Halstead Property Condo Sale Comparable Study (Data)

Exhibit A

Exhibit A-1		
309 Fifth Avenue - Summary Project Budget		
	Total	PSF
Land Costs	32,000,000	260.96
Closing/Due Diligence Costs	1,500,000	12.23
Subtotal: Land/Closing/DD Costs	33,500,000	273.20
Hard Costs	49,125,000	400.62
Tenant Improvements (Retail)	637,500	5.20
Hard Costs Contingency	3,500,000	28.54
Subtotal: Hard Costs	53,262,500	434.36
Development Fees	2,301,900	18.77
Legal	575,000	4.69
A&E	1,570,000	12.80
Governmental Fees	720,000	5.87
Marketing	1,210,000	9.87
Insurance	1,600,000	13.05
Miscellaneous Project Costs	1,300,000	10.60
421a Tax Abatement Costs	2,385,000	19.45
Soft Cost Contingency	600,000	4.89
Subtotal: Soft Costs	12,261,900	100.00
Total Land, Hard, & Soft Costs	\$99,024,400	\$807.56
Construction Financing Costs	\$2,714,000	22.13
Capitalized Interest	3,299,669	26.91
Subtotal: Financing Costs	6,013,669	49.04
Total Project Costs	\$105,038,069	\$856.60

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15

Project Duration	30 Months
To Stabilization	
Land/Loan/JV Closing	1 Months
Design/A&E	5 Months
GMP	3 Months
DOB Drawing Approval	2 Months
Bldg Permit	2 Months
Construction	24 Months
1st TCO (1-10)	3 Months
2nd TCO (11-20)	2 Months
3rd TCO (21-34)	2 Months
Lease Up	5 Months

Exhibit A-3 (Lend Lease Hard Cost Budget)



309 Fifth Avenue Preliminary Budget Estimate

Gross SQFT: 155,000

Trade	Subcontractor	Subcontractor Price Quote	Revised Lend Lease Budget	Cost per SqFt.	Anticipated Buy Pricing	Anticipated Buy Pricing Cost per SqFT.
Sitework			\$ 175,000	\$ 1.13	\$ 175,000	\$ 1.13
Excavation/Foundations	Navillus	\$ 1,674,750				
	Civetta		\$ 1,674,750	\$ 10.80	\$ 1,600,000	\$ 10.32
	Urban					
Unanticipated Foundation Work			\$ 100,000	\$ 0.65	100,000	\$ 0.65
Concrete Superstructure	Regal Concrete	\$ 11,350,000				
	Century Maxim		\$ 11,350,000	\$ 73.23	\$ 11,350,000	\$ 73.23
Masonry			\$ 513,017	\$ 3.31	\$ 513,017	\$ 3.31
Misc. Metal			\$ 439,729	\$ 2.84	\$ 439,729	\$ 2.84
Rough Carpentry & Drywall	R&J Construction	5,300,000				
	Prince Carpentry	4,800,000	\$ 4,500,000	\$ 29.03	\$ 4,300,000	\$ 27.74
	Component Assembly	4,500,000				
Millwork			\$ 197,878	\$ 1.28	\$ 197,878	\$ 1.28
Roofing/Waterproofing			\$ 378,000	\$ 2.44	\$ 378,000	\$ 2.44
Caulking			\$ 109,932	\$ 0.71	\$ 109,932	\$ 0.71
HM, Hardware & Wood Doors			\$ 586,306	\$ 3.78	\$ 586,306	\$ 3.78
Glazing			\$ 73,288	\$ 0.47	\$ 73,288	\$ 0.47
Storefront			\$ 168,000	\$ 1.08	\$ 168,000	\$ 1.08
Window Wall	K&M	5,208,700				
	W&W (Sota Hybrid Curtainwall)	5,952,800	\$ 5,208,700	\$ 33.60	\$ 5,000,000	\$ 32.26
	EFCO	6,023,120				
Lobby Fitout			\$ 300,000	\$ 1.94	\$ 300,000	\$ 1.94
Ceramic/Stone	Jantile	\$ 775,000	\$ 775,000	\$ 5.00	\$ 725,000	\$ 4.68
Wood Floor & VCT	VAL	\$ 626,500	\$ 626,500	\$ 4.04	\$ 600,000	\$ 3.87
Carpet			\$ 87,946	\$ 0.57	\$ 87,946	\$ 0.57
Painting/ WC			\$ 622,950	\$ 4.02	\$ 622,950	\$ 4.02
Toilet Accesories			\$ 95,275	\$ 0.61	\$ 95,275	\$ 0.61
Signage			\$ 21,986	\$ 0.14	\$ 21,986	\$ 0.14
Canopy			\$ 15,000	\$ 0.10	\$ 15,000	\$ 0.10
Compactor/Trash Chutes/Boiler Flue			\$ 150,000	\$ 0.97	\$ 150,000	\$ 0.97
Appliances			\$ 535,500	\$ 3.45	\$ 535,500	\$ 3.45
Cabinets			\$ 275,400	\$ 1.78	\$ 275,400	\$ 1.78
Elevators	Thyssen Krupp	\$ 1,060,000				
	Fujitec	\$ 1,300,000	\$ 1,060,000	\$ 6.84	\$ 975,000	\$ 6.29
Hoist/ Bridge			\$ 957,261	\$ 6.18	\$ 957,261	\$ 6.18
Plumbing	Parkview	\$ 3,500,000				
	Almar	\$ 3,250,000	\$ 3,250,000	\$ 20.97	\$ 3,250,000	\$ 20.97
	Par/Liberty	\$ 4,752,000				
Fire Protection	Federated		\$ 1,225,000	\$ 7.90	\$ 1,100,000	\$ 7.10
	Rael Sprinkler					
HVAC	Epic	\$ 3,400,000	\$ 3,400,000	\$ 21.94	\$ 3,300,000	\$ 21.29
	Martin	\$ 3,575,000				
Electrical	SJ Electric	\$ 3,000,000	\$ 3,000,000	\$ 19.35	\$ 2,800,000	\$ 18.06
	Five-Star Electric	\$ 3,450,000				
Safety & Security			\$ 450,000	\$ 2.90	\$ 450,000	\$ 2.90
Subtotal			\$ 42,322,418	273.05	\$ 41,252,468	266.14
General Conditions (9%)			4,627,541	\$ 29.86	4,627,541	\$ 29.86
Insurance (1.49%)			699,554	\$ 4.51	683,612	\$ 4.41
Contingency (3%)			1,429,485	\$ 9.22	1,396,909	\$ 9.01
Fee (2.5%)			1,191,238	\$ 7.69	1,164,091	\$ 7.51
Total			50,270,236	\$ 324.32	49,124,621	\$ 316.93

Exhibit B

Exhibit B-1: Summary of Returns

5-Year Hold

Pro Forma Cash Flow (\$000's)

		Reversion Year					
	Time 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Fiscal Year End		Feb-2013	Feb-2014	Feb-2015	Feb-2016	Feb-2017	Feb-2018

NOI & CASH FLOWS

Scheduled Base Rental Revenue				2,056,594	8,425,066	8,988,764	
Base Rental Step Revenue							
Expense Reimbursement Revenue							
Miscellaneous Income					1,337,711	1,370,137	
General Vacancy					(252,752)	(269,663)	
Effective Gross Revenue				2,056,594	9,510,025	10,089,238	
Total Operating Expenses				(817,606)	(2,449,109)	(2,581,570)	
Net Operating Income	A			1,238,988	7,060,916	7,507,668	
Interest Payments				(1,609,623)	(3,200,277)	(3,149,448)	
Principal Payments					(1,046,976)	(1,097,805)	
NOI After Debt Service				(370,635)	2,813,663	3,260,415	
Purchase Price		(33,500,000)					
Hard Costs		(7,683,250)	(37,896,000)	(7,683,250)			
Soft Costs		(4,211,990)	(5,457,590)	(2,592,320)			
Origination Points & Fees		(2,714,000)					
Capitalized Interest		(143,856)	(1,636,644)	(1,519,169)			
Cash Flow (Leveraged)	B	(33,500,000)	(14,753,096)	(44,990,234)	2,813,663	3,260,415	
Cash Flow (Unleveraged)	C	(33,500,000)	(11,895,240)	(43,353,590)	7,060,916	7,507,668	

Debt Funding Proceeds	10,434,642	44,990,216	12,425,142			
Capitalized Development Costs (w/out interest & points)	11,895,240	43,353,590	10,275,570			
Capitalized Interest & Points	2,857,856	1,636,644	1,519,169			
Capital Costs	11,895,240	43,353,590	10,275,570			

BASIS & EQUITY

Book Value	D	33,500,000	45,395,240	88,748,830	99,024,400	99,024,400	99,024,400	99,024,400
Ending Principal Balance			10,434,642	55,424,858	67,850,000	66,803,024	65,705,219	65,705,219
Purchase Price or TDB	E	33,500,000	45,395,240	88,748,830	99,024,400	99,024,400	99,024,400	99,024,400
Cash Investment Leveraged	F		37,818,454	37,818,472	37,188,069	37,188,069	37,188,069	37,188,069
Project All-in Cost (Leveraged)			48,253,096	93,243,330	105,038,069	105,038,069	105,038,069	105,038,069

YIELDS

		Feb-2013	Feb-2014	Feb-2015	Feb-2016	Feb-2017	Feb-2018
Unleveraged Return on Investment	A / D	N/A	N/A	N/A	7.1%	7.6%	--
Unleveraged Cash to Purchase Price	C / E	N/A	N/A	N/A	7.1%	7.6%	--
Leveraged Cash Return (Cash on Cash)	B / F	N/A	N/A	N/A	7.6%	8.8%	--

		Equity Multiple
5 Year Unleveraged IRR	13.6%	1.66
5 Year Leveraged IRR	19.0%	2.35
Reversion NOI	\$7,700,151	
Reversion Cap Rate	5.00%	
Reversion Value	\$154,003,020	
Reversion Value Psft	\$1,256	
Cost of Sale	3.75%	

TERMS

Return on Investment
Cash to Purchase Price
Leveraged Cash Return (Cash on Cash)

DEFINITIONS

NOI (Unleveraged) / Book Value
Net Cash Flow (Unleveraged) / Purchase Price or Total Development Budget (through stabilization)
Net Cash Flow (Leveraged) / Cash Investment Leveraged

Effective Gross Revenue less Total Operating Expenses
Original Purchase Price (or TDB) plus all leasing costs, capital expenditures (including reserves) and closing costs
Mortgage outstanding at the end of a given year
Purchase Price or TDB plus development capitalized costs (excluding capitalized interest & points)
Purchase Price or TDB (including capitalized interest & points) minus Debt Funding Proceeds
Purchase Price or TDB (including capitalized interest, points and earnout)

NOI
Book Value
Ending Principal Balance
Purchase Price or TDB
Cash Investment Leveraged
Project All-In Cost

Exhibit B-2: Annual Project Cash Flow Schedule

5-Year Hold

Pro Forma Cash Flow

	Year 1 Feb-2013	Year 2 Feb-2014	Year 3 Feb-2015	Year 4 Feb-2016	Year 5 Feb-2017	Reversion Year Year 6 Feb-2018
For the Years Ending						
Operating Ratios						
Total Number of Units			54	162	162	162
Average Occupancy			33.0%	99.4%	99.4%	99.4%
Avg Monthly Rent per Occ Area			\$4.72	\$6.43	\$6.86	\$7.29
Avg Monthly Rent per Occ Unit			\$3,183.58	\$4,333.88	\$4,623.85	\$4,912.93
Expense Ratio to Operating Inc			39.8%	25.8%	25.6%	28.0%
Expenses per Unit Area			\$7.44	\$22.29	\$23.50	\$27.26
Expenses per Unit			\$5,015.99	\$15,025.21	\$15,837.85	\$18,372.63
Potential Gross Revenue						
Potential Market Rent	7,220,602	7,509,427	8,260,369	8,755,991	9,456,471	9,740,165
Potential Rental Revenue	7,220,602	7,509,428	8,260,368	8,425,066	8,988,764	9,550,743
Absorption & Turnover Vacancy	(7,220,602)	(7,509,428)	(5,515,411)			
Base Rent Abatements			(688,363)			
Scheduled Base Rental Revenue			2,056,594	8,425,066	8,988,764	9,550,743
Cellar Storage				162,699	165,953	169,272
Basement Retail				228,480	233,050	237,711
Street Retail				952,500	971,550	990,981
RET Reimbursement (Retail)				64,438	71,697	108,003
Total Potential Gross Revenue			2,056,594	9,833,183	10,431,014	11,056,710
General Vacancy				(252,752)	(269,663)	(286,522)
Collection Loss				(70,406)	(72,113)	(75,298)
Effective Gross Revenue			2,056,594	9,510,025	10,089,238	10,694,890
Operating Expenses						
RET			160,597	619,596	689,398	1,038,494
OPEX						
Payroll & Related			322,133	796,314	820,203	844,809
General & Administrative			15,473	42,332	43,602	44,910
Utilities			118,901	334,237	344,264	354,592
R&M (incl. Service Contracts)			60,199	169,223	174,300	179,529
Marketing/Leasing			29,167	72,100	74,263	76,491
Insurance			34,721	85,830	88,405	91,057
Other			25,000	61,800	63,654	65,564
Total			605,594	1,561,836	1,608,691	1,656,952
Replacement Reserve				57,050	58,762	60,524
Management Fee			51,415	210,627	224,719	238,769
Total Operating Expenses			817,606	2,449,109	2,581,570	2,994,739
Net Operating Income			1,238,988	7,060,916	7,507,668	7,700,151
Debt Service						
Interest Payments	143,856	1,636,644	3,128,792	3,200,277	3,149,448	
Principal Payments				1,046,976	1,097,805	
Origination Points & Fees	2,714,000					
Total Debt Service	2,857,856	1,636,644	3,128,792	4,247,253	4,247,253	
Development Costs						
Hard/Construction Costs						
Retail TI		637,500				
Prime Contract	7,172,250	34,780,500	7,172,250			
Hard Cost Contingency	511,000	2,478,000	511,000			
Total Hard/Construction Costs	7,683,250	37,896,000	7,683,250			
Soft/Development Costs						
Development Fee	413,550	1,558,400	329,950			
Legal	575,000					
A&E	229,220	1,111,560	229,220			
Governmental Fees	105,120	509,760	105,120			
Marketing		81,070	1,128,930			
Insurance	233,600	1,132,800	233,600			
Misc Project Cost	448,500	728,000	123,500			
421 Tax Abatement Costs	2,000,000		385,000			
Soft Costs Contingency	207,000	336,000	57,000			
Total Soft/Development Costs	4,211,990	5,457,590	2,592,320			
Total Development Costs	11,895,240	43,353,590	10,275,570			
Cash Flow After Debt Service	(14,753,096)	(44,990,234)	(12,165,374)	2,813,663	3,260,415	7,700,151

Exhibit B-3: Monthly Project Cash Flow Schedule

	Exhibit B-3: Monthly Project Cash Flow Schedule																							
For the Months	Month 1 Mar-2012	Month 2 Apr-2012	Month 3 May-2012	Month 4 Jun-2012	Month 5 Jul-2012	Month 6 Aug-2012	Month 7 Sep-2012	Month 8 Oct-2012	Month 9 Nov-2012	Month 10 Dec-2012	Month 11 Jan-2013	Month 12 Feb-2013	Month 13 Mar-2013	Month 14 Apr-2013	Month 15 May-2013	Month 16 Jun-2013	Month 17 Jul-2013	Month 18 Aug-2013	Month 19 Sep-2013	Month 20 Oct-2013	Month 21 Nov-2013	Month 22 Dec-2013	Month 23 Jan-2014	Month 24 Feb-2014
Operating Ratios																								
Total Number of Units																								
Average Occupancy																								
Avg Monthly Rent per Occ Area																								
Avg Monthly Rent per Occ Unit																								
Expense Ratio to Operating Inc																								
Expenses per Unit Area																								
Expenses per Unit																								
Potential Gross Revenue																								
Potential Market Rent	\$601,717	\$601,717	\$601,717	\$601,717	\$601,717	\$601,717	\$601,717	\$601,716	\$601,717	\$601,717	\$601,717	\$601,716	\$625,786	\$625,786	\$625,785	\$625,786	\$625,785	\$625,786	\$625,785	\$625,786	\$625,785	\$625,786	\$625,785	\$625,786
Potential Rental Revenue	\$601,718	\$601,718	\$601,715	\$601,718	\$601,718	\$601,715	\$601,718	\$601,718	\$601,715	\$601,718	\$601,718	\$601,713	\$625,786	\$625,786	\$625,786	\$625,786	\$625,786	\$625,784	\$625,786	\$625,786	\$625,786	\$625,786	\$625,786	\$625,784
Absorption & Turnover Vacancy	(\$601,718)	(\$601,718)	(\$601,715)	(\$601,718)	(\$601,718)	(\$601,715)	(\$601,718)	(\$601,718)	(\$601,715)	(\$601,718)	(\$601,718)	(\$601,713)	(\$625,786)	(\$625,786)	(\$625,786)	(\$625,786)	(\$625,786)	(\$625,784)	(\$625,786)	(\$625,786)	(\$625,786)	(\$625,786)	(\$625,786)	(\$625,784)
Base Rent Abatements																								
Scheduled Base Rental Revenue																								
Cellar Storage																								
Basement Retail																								
Street Retail																								
RET Reimbursement (Retail)																								
Total Potential Gross Revenue																								
General Vacancy																								
Collection Loss																								
Effective Gross Revenue																								
Operating Expenses																								
RET																								
OPEX																								
Payroll & Related																								
General & Administrative																								
Utilities																								
R&M (incl. Service Contracts)																								
Marketing/Leasing																								
Insurance																								
Other																								
Total																								
Replacement Reserve																								
Management Fee																								
Total Operating Expenses																								
Net Operating Income																								
Debt Service																								
Interest Payments		\$2,548	\$3,231	\$3,964	\$4,587	\$4,978	\$6,196	\$9,532	\$14,784	\$21,944	\$30,788	\$41,304	\$53,509	\$66,709	\$81,135	\$96,317	\$112,018	\$127,998	\$144,203	\$160,536	\$176,622	\$192,049	\$206,157	\$219,391
Principal Payments																								
Origination Points & Fees	\$2,714,000																							
Total Debt Service	\$2,714,000	\$2,548	\$3,231	\$3,964	\$4,587	\$4,978	\$6,196	\$9,532	\$14,784	\$21,944	\$30,788	\$41,304	\$53,509	\$66,709	\$81,135	\$96,317	\$112,018	\$127,998	\$144,203	\$160,536	\$176,622	\$192,049	\$206,157	\$219,391
Development Costs																								
Hard/Construction Costs																								
Retail TI																								
Prime Contract								\$196,500	\$638,625	\$1,031,625	\$1,424,625	\$1,768,500	\$2,112,375	\$2,456,250	\$2,652,750	\$2,898,375	\$3,045,750	\$3,144,000	\$3,193,125	\$3,193,125	\$3,144,000	\$3,045,750	\$2,898,375	\$2,652,750
Hard Cost Contingency								\$14,000	\$45,500	\$73,500	\$101,500	\$126,000	\$150,500	\$175,000	\$189,000	\$206,500	\$217,000	\$224,000	\$227,500	\$227,500	\$224,000	\$217,000	\$206,500	\$189,000
Total Hard/Construction Costs								\$210,500	\$684,125	\$1,105,125	\$1,526,125	\$1,894,500	\$2,262,875	\$2,631,250	\$2,841,750	\$3,104,875	\$3,262,750	\$3,368,000	\$3,420,625	\$3,463,338	\$3,484,662	\$3,422,125	\$3,264,250	\$2,958,413
Soft/Development Costs																								
Development Fee	\$60,228	\$20,608	\$988	\$1,444	\$1,824	\$2,128	\$11,004	\$30,101	\$47,321	\$64,389	\$79,352	\$94,163	\$109,050	\$117,622	\$128,223	\$134,538	\$138,672	\$140,625	\$142,182	\$142,958	\$140,229	\$133,686	\$121,073	\$109,54

Exhibit B-3: Monthly Project Cash Flow Schedule																								
For the Months	Month 25 Mar-2014	Month 26 Apr-2014	Month 27 May-2014	Month 28 Jun-2014	Month 29 Jul-2014	Month 30 Aug-2014	Month 31 Sep-2014	Month 32 Oct-2014	Month 33 Nov-2014	Month 34 Dec-2014	Month 35 Jan-2015	Month 36 Feb-2015	Month 37 Mar-2015	Month 38 Apr-2015	Month 39 May-2015	Month 40 Jun-2015	Month 41 Jul-2015	Month 42 Aug-2015	Month 43 Sep-2015	Month 44 Oct-2015	Month 45 Nov-2015	Month 46 Dec-2015	Month 47 Jan-2016	Month 48 Feb-2016
Operating Ratios																								
Total Number of Units							32	64	97	129	162	162	162	162	162	162	162	162	162	162	162	162	162	162
Average Occupancy							19.63%	39.26%	59.51%	79.14%	99.39%	99.39%	99.39%	99.39%	99.39%	99.39%	99.39%	99.39%	99.39%	99.39%	99.39%	99.39%	99.39%	99.39%
Avg Monthly Rent per Occ Area							3.15	4.16	4.74	5.02	6.30	6.30	6.30	6.30	6.30	6.30	6.30	6.30	6.38	6.45	6.53	6.61	6.68	6.68
Avg Monthly Rent per Occ Unit							2,124.58	2,803.57	3,195.10	3,383.59	4,249.17	4,249.15	4,249.15	4,249.15	4,249.15	4,249.15	4,249.15	4,299.54	4,349.88	4,401.82	4,452.19	4,504.12	4,504.09	4,504.09
Expense Ratio to Operating Inc							99.85%	52.80%	36.72%	34.97%	28.36%	26.16%	26.16%	26.16%	26.16%	26.16%	26.16%	25.92%	25.68%	25.43%	25.20%	24.97%	24.97%	24.97%
Expenses per Unit Area							1.24	1.31	1.38	1.74	1.78	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.86	1.86	1.86	1.86	1.86	1.86
Expenses per Unit							832.9	880.83	928.6	1,176.07	1,197.58	1,249.99	1,249.99	1,249.99	1,249.99	1,250.00	1,249.99	1,251.26	1,252.49	1,253.79	1,255.04	1,256.34	1,256.34	1,256.34
Potential Gross Revenue																								
Potential Market Rent	\$688,364	\$688,364	\$688,364	\$688,364	\$688,364	\$688,364	\$688,364	\$688,364	\$688,364	\$688,364	\$688,365	\$688,364	\$729,666	\$729,666	\$729,666	\$729,666	\$729,666	\$729,666	\$729,666	\$729,666	\$729,666	\$729,666	\$729,666	\$729,665
Potential Rental Revenue	\$688,363	\$688,363	\$688,363	\$688,365	\$688,363	\$688,364	\$688,367	\$688,364	\$688,363	\$688,364	\$688,363	\$688,366	\$688,363	\$688,363	\$688,363	\$688,365	\$688,363	\$688,363	\$696,526	\$704,681	\$713,095	\$721,254	\$729,667	\$729,663
Absorption & Turnover Vacancy	(\$688,363)	(\$688,363)	(\$688,363)	(\$688,365)	(\$688,363)	(\$688,364)	(\$552,394)	(\$416,418)	(\$276,195)	(\$140,223)														
Base Rent Abatements							(\$135,973)	(\$135,973)	(\$140,222)	(\$135,973)	(\$140,222)													
Scheduled Base Rental Revenue								\$135,973	\$271,946	\$412,168	\$548,141	\$688,366	\$688,363	\$688,363	\$688,363	\$688,365	\$688,363	\$688,363	\$696,526	\$704,681	\$713,095	\$721,254	\$729,667	\$729,663
Cellar Storage												\$13,558	\$13,558	\$13,558	\$13,558	\$13,558	\$13,558	\$13,558	\$13,558	\$13,558	\$13,558	\$13,558	\$13,558	\$13,558
Basement Retail												\$19,040	\$19,040	\$19,040	\$19,040	\$19,040	\$19,040	\$19,040	\$19,040	\$19,040	\$19,040	\$19,040	\$19,040	\$19,040
Street Retail												\$79,375	\$79,375	\$79,375	\$79,375	\$79,375	\$79,375	\$79,375	\$79,375	\$79,375	\$79,375	\$79,375	\$79,375	\$79,375
RET Reimbursement (Retail)												\$5,370	\$5,370	\$5,370	\$5,370	\$5,370	\$5,370	\$5,369	\$5,370	\$5,370	\$5,370	\$5,370	\$5,370	\$5,369
Total Potential Gross Revenue								\$135,973	\$271,946	\$412,168	\$548,141	\$688,366	\$805,706	\$805,706	\$805,707	\$805,708	\$805,706	\$805,706	\$813,869	\$822,024	\$830,439	\$838,597	\$847,010	\$847,005
General Vacancy													(\$21,063)	(\$21,063)	(\$21,062)	(\$21,063)	(\$21,063)	(\$21,062)	(\$21,063)	(\$21,063)	(\$21,062)	(\$21,063)	(\$21,063)	(\$21,062)
Collection Loss													(\$5,867)	(\$5,867)	(\$5,867)	(\$5,867)	(\$5,867)	(\$5,867)	(\$5,868)	(\$5,867)	(\$5,867)	(\$5,867)	(\$5,867)	(\$5,868)
Effective Gross Revenue								\$135,973	\$271,946	\$412,168	\$548,141	\$688,366	\$778,776	\$778,776	\$778,778	\$778,778	\$778,776	\$778,777	\$786,938	\$795,094	\$803,510	\$811,667	\$820,080	\$820,075
Operating Expenses																								
RET								\$19,110	\$19,110	\$19,110	\$51,633	\$51,634	\$51,633	\$51,633	\$51,633	\$51,633	\$51,633	\$51,633	\$51,633	\$51,633	\$51,633	\$51,633	\$51,633	\$51,633
OPEX																								
Payroll & Related								\$64,427	\$64,427	\$64,426	\$64,427	\$64,426	\$66,359	\$66,359	\$66,360	\$66,359	\$66,360	\$66,359	\$66,360	\$66,359	\$66,360	\$66,359	\$66,360	\$66,360
General & Administrative								\$2,599	\$2,877	\$3,147	\$3,425	\$3,425	\$3,528	\$3,528	\$3,527	\$3,528	\$3,528	\$3,527	\$3,528	\$3,528	\$3,527	\$3,528	\$3,528	\$3,527
Utilities								\$18,888	\$21,633	\$24,296	\$27,042	\$27,042	\$27,853	\$27,853	\$27,853	\$27,853	\$27,853	\$27,853	\$27,853	\$27,853	\$27,853	\$27,853	\$27,853	\$27,854
R&M (incl. Service Contracts)								\$9,563	\$10,953	\$12,301	\$13,691	\$13,691	\$14,102	\$14,102	\$14,102	\$14,102	\$14,102	\$14,102	\$14,102	\$14,102	\$14,102	\$14,102	\$14,102	\$14,101
Marketing/Leasing								\$5,833	\$5,833	\$5,834	\$5,833	\$5,834	\$6,008	\$6,008	\$6,008	\$6,008	\$6,008	\$6,008	\$6,009	\$6,008	\$6,009	\$6,009	\$6,008	\$6,009
Insurance								\$6,944	\$6,944	\$6,944	\$6,944	\$6,945	\$7,152	\$7,152	\$7,153	\$7,152	\$7,153	\$7,152	\$7,153	\$7,152	\$7,153	\$7,152	\$7,153	\$7,153
Other								\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,150	\$5,150	\$5,150	\$5,150	\$5,150	\$5,150	\$5,150	\$5,150	\$5,150	\$5,150	\$5,150	\$5,150
Total								\$113,254	\$117,667	\$121,948	\$126,362	\$126,363	\$130,152	\$130,152	\$130,153	\$130,153	\$130,154	\$130,151	\$130,155	\$130,152	\$130,153	\$130,153	\$130,154	\$130,154
Replacement Reserve													\$4,754	\$4,754	\$4,754	\$4,754	\$4,754	\$4,755	\$4,754	\$4,754	\$4,754	\$4,754	\$4,754	\$4,755
Management Fee								\$3,399	\$6,799	\$10,304	\$13,704	\$17,209	\$17,209	\$17,209	\$17,209	\$17,209	\$17,209	\$17,209	\$17,413	\$17,617	\$17,828	\$18,031	\$18,242	\$18,242
Total Operating Expenses								\$135,763	\$143,576	\$151,362	\$191,699	\$195,208	\$203,748	\$203,748	\$203,749	\$203,749	\$203,750	\$203,748	\$203,955	\$204,156	\$204,368	\$204,571	\$204,783	\$204,784
Net Operating Income								\$210	\$128,370	\$260,806	\$356,442	\$493,160	\$575,028	\$575,028	\$575,029	\$575,029	\$575,026	\$575,029	\$582,983	\$590,938	\$599,142	\$607,096	\$615,297	\$615,291
Debt Service																								
Interest Payments	\$232,970	\$243,673	\$252,749	\$259,627	\$264,073	\$266,077	\$267,135	\$268,196	\$268,573	\$268,573	\$268,573	\$268,573	\$268,573	\$268,235	\$267,896	\$267,555	\$267,213	\$266,870	\$266,525	\$266,179	\$265,832	\$265,483	\$265,134	\$264,782
Principal Payments													\$85,365	\$85,703	\$86,042	\$86,382	\$86,724	\$87,068	\$87,412	\$87,758	\$88,106	\$88,455	\$88,805	\$89,156
Origination Points & Fees																								
Total Debt Service	\$232,970	\$243,673	\$252,749	\$259,627	\$264,073	\$266,077	\$267,135	\$268,196	\$268,573	\$268,573	\$268,573	\$268,573	\$353,938	\$353,938	\$353,938	\$353,937	\$353,937	\$353,938	\$353,937	\$353,937	\$353,938	\$353,938	\$353,939	\$353,938
Development Costs																								
Hard/Construction Costs																								
Retail TI																								
Prime Contract	\$2,112,375	\$1,768,500	\$1,424,625	\$1,031,625	\$638,625	\$196,500																		
Hard Cost Contingency	\$150,500	\$126,000	\$101,500	\$73,500	\$45,500	\$14,000																		
Total Hard/Construction Costs	\$2,262,875	\$1,894,500	\$1,526,125	\$1,105,125	\$684,125	\$210,500																		
Soft/Development Costs																								
Development Fee	\$108,043	\$77,604	\$62,489	\$45,193	\$27,973	\$8,648																		
Legal																								
A&E	\$67,510	\$56,520	\$45,530	\$32,970	\$20,410	\$6,280																		
Governmental Fees	\$30,960	\$25,920	\$20,880	\$15,120	\$9,360	\$2,880																		
Marketing	\$221,430	\$302,500	\$302,500	\$221,430	\$81,070																			
Insurance	\$68,800	\$57,600	\$46,400	\$33,600	\$20,800	\$6,400																		
Misc Project Cost	\$36,400	\$31,200	\$24,700	\$16,900	\$10,400	\$3,900																		
421 Tax Abatement Costs	\$385,000																							
Soft Costs Contingency	\$16,800	\$14,400	\$11,400	\$7,800	\$4,800	\$1,800																		
Total Soft/Development Costs	\$934,943	\$565,744	\$513,899	\$373,013	\$174,813	\$29,908																		
Total Development Costs	\$3,197,818	\$2,460,244	\$2,040,024	\$1,478,138	\$858,938	\$240,408																		
Cash Flow After Debt Service	(\$3,430,788)	(\$2,703,917)	(\$2,292,773)	(\$1,737,765)	(\$1,123,011)	(\$506,485)	(\$267,135)	(\$267,986)	(\$140,203)	(\$7,767)	\$87,869	\$224,587	\$221,090	\$221,090	\$221,091	\$221,092	\$221,089	\$221,091	\$229,046	\$237,001	\$245,204	\$253,158	\$261,358	\$261,353

Exhibit B-3: Monthly Project Cash Flow Schedule												
For the Months	Month 49 Mar-2016	Month 50 Apr-2016	Month 51 May-2016	Month 52 Jun-2016	Month 53 Jul-2016	Month 54 Aug-2016	Month 55 Sep-2016	Month 56 Oct-2016	Month 57 Nov-2016	Month 58 Dec-2016	Month 59 Jan-2017	Month 60 Feb-2017
Operating Ratios												
Total Number of Units	162	162	162	162	162	162	162	162	162	162	162	162
Average Occupancy	99.39%	99.39%	99.39%	99.39%	99.39%	99.39%	99.39%	99.39%	99.39%	99.39%	99.39%	99.39%
Avg Monthly Rent per Occ Area	6.68	6.68	6.68	6.68	6.68	6.68	6.79	6.89	7.00	7.11	7.22	7.22
Avg Monthly Rent per Occ Unit	4,504.12	4,504.12	4,504.09	4,504.12	4,504.10	4,504.11	4,575.28	4,646.47	4,719.85	4,791.04	4,864.44	4,864.43
Expense Ratio to Operating Inc	25.44%	25.44%	25.44%	25.44%	25.44%	25.44%	25.13%	24.82%	24.51%	24.21%	27.78%	27.78%
Expenses per Unit Area	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.91	1.91	1.91	2.23	2.23
Expenses per Unit	1,281.17	1,281.16	1,281.15	1,281.17	1,281.16	1,281.15	1,282.94	1,284.69	1,286.52	1,288.28	1,504.24	1,504.23
Potential Gross Revenue												
Potential Market Rent	\$788,039	\$788,039	\$788,039	\$788,039	\$788,040	\$788,039	\$788,039	\$788,039	\$788,039	\$788,040	\$788,039	\$788,040
Potential Rental Revenue	\$729,668	\$729,668	\$729,663	\$729,668	\$729,665	\$729,666	\$741,196	\$752,728	\$764,616	\$776,149	\$788,039	\$788,038
Absorption & Turnover Vacancy												
Base Rent Abatements												
Scheduled Base Rental Revenue	\$729,668	\$729,668	\$729,663	\$729,668	\$729,665	\$729,666	\$741,196	\$752,728	\$764,616	\$776,149	\$788,039	\$788,038
Cellar Storage	\$13,829	\$13,829	\$13,830	\$13,829	\$13,829	\$13,829	\$13,829	\$13,830	\$13,830	\$13,829	\$13,829	\$13,830
Basement Retail	\$19,421	\$19,421	\$19,420	\$19,421	\$19,421	\$19,420	\$19,421	\$19,421	\$19,421	\$19,421	\$19,421	\$19,421
Street Retail	\$80,963	\$80,962	\$80,963	\$80,962	\$80,963	\$80,962	\$80,963	\$80,962	\$80,963	\$80,962	\$80,963	\$80,962
RET Reimbursement (Retail)	\$5,370	\$5,370	\$5,370	\$5,370	\$5,370	\$5,369	\$5,370	\$5,370	\$5,370	\$5,370	\$8,999	\$8,999
Total Potential Gross Revenue	\$849,251	\$849,250	\$849,246	\$849,250	\$849,248	\$849,247	\$860,779	\$872,311	\$884,200	\$895,731	\$911,251	\$911,250
General Vacancy	(\$22,472)	(\$22,472)	(\$22,472)	(\$22,472)	(\$22,472)	(\$22,472)	(\$22,472)	(\$22,472)	(\$22,472)	(\$22,472)	(\$22,472)	(\$22,471)
Collection Loss	(\$6,009)	(\$6,009)	(\$6,010)	(\$6,009)	(\$6,009)	(\$6,010)	(\$6,009)	(\$6,010)	(\$6,009)	(\$6,009)	(\$6,010)	(\$6,010)
Effective Gross Revenue	\$820,770	\$820,769	\$820,764	\$820,769	\$820,767	\$820,765	\$832,298	\$843,829	\$855,719	\$867,250	\$882,769	\$882,769
Operating Expenses												
RET	\$51,633	\$51,633	\$51,633	\$51,633	\$51,633	\$51,633	\$51,633	\$51,633	\$51,633	\$51,633	\$86,534	\$86,534
OPEX												
Payroll & Related	\$68,350	\$68,350	\$68,350	\$68,351	\$68,350	\$68,350	\$68,350	\$68,351	\$68,350	\$68,350	\$68,350	\$68,351
General & Administrative	\$3,633	\$3,633	\$3,634	\$3,633	\$3,634	\$3,633	\$3,634	\$3,633	\$3,634	\$3,633	\$3,634	\$3,634
Utilities	\$28,689	\$28,689	\$28,688	\$28,689	\$28,689	\$28,688	\$28,689	\$28,689	\$28,688	\$28,689	\$28,689	\$28,688
R&M (incl. Service Contracts)	\$14,525	\$14,525	\$14,525	\$14,525	\$14,525	\$14,525	\$14,525	\$14,525	\$14,525	\$14,525	\$14,525	\$14,525
Marketing/Leasing	\$6,189	\$6,189	\$6,188	\$6,189	\$6,188	\$6,189	\$6,188	\$6,189	\$6,188	\$6,189	\$6,188	\$6,188
Insurance	\$7,367	\$7,367	\$7,367	\$7,367	\$7,367	\$7,367	\$7,367	\$7,367	\$7,367	\$7,367	\$7,367	\$7,368
Other	\$5,305	\$5,304	\$5,305	\$5,304	\$5,305	\$5,304	\$5,305	\$5,304	\$5,305	\$5,304	\$5,305	\$5,304
Total	\$134,058	\$134,057	\$134,057	\$134,058	\$134,058	\$134,056	\$134,059	\$134,057	\$134,058	\$134,056	\$134,059	\$134,058
Replacement Reserve	\$4,897	\$4,897	\$4,897	\$4,897	\$4,896	\$4,897	\$4,897	\$4,897	\$4,897	\$4,896	\$4,897	\$4,897
Management Fee	\$18,242	\$18,242	\$18,241	\$18,242	\$18,242	\$18,241	\$18,530	\$18,818	\$19,115	\$19,404	\$19,701	\$19,701
Total Operating Expenses	\$208,830	\$208,829	\$208,828	\$208,830	\$208,829	\$208,827	\$209,119	\$209,405	\$209,703	\$209,989	\$245,191	\$245,190
Net Operating Income	\$611,940	\$611,940	\$611,936	\$611,939	\$611,938	\$611,938	\$623,179	\$634,424	\$646,016	\$657,261	\$637,578	\$637,579
Debt Service												
Interest Payments	\$264,429	\$264,074	\$263,719	\$263,362	\$263,003	\$262,643	\$262,281	\$261,919	\$261,555	\$261,189	\$260,821	\$260,453
Principal Payments	\$89,509	\$89,863	\$90,219	\$90,576	\$90,935	\$91,295	\$91,656	\$92,019	\$92,383	\$92,749	\$93,116	\$93,485
Origination Points & Fees												
Total Debt Service	\$353,938	\$353,937	\$353,938	\$353,938	\$353,938	\$353,938	\$353,937	\$353,938	\$353,938	\$353,938	\$353,937	\$353,938
Development Costs												
Hard/Construction Costs												
Retail TI												
Prime Contract												
Hard Cost Contingency												
Total Hard/Construction Costs												
Soft/Development Costs												
Development Fee												
Legal												
A&E												
Governmental Fees												
Marketing												
Insurance												
Misc Project Cost												
421 Tax Abatement Costs												
Soft Costs Contingency												
Total Soft/Development Costs												
Total Development Costs												
Cash Flow After Debt Service	\$258,002	\$258,003	\$257,998	\$258,001	\$258,000	\$258,000	\$269,242	\$280,486	\$292,078	\$303,323	\$283,641	\$283,641

Exhibit B-4: Construction Mini-Perm Loan Funding Schedule

[illegible]

Exhibit B-4: Construction Mini-Perm Loan Funding Schedule

[illegible]

Exhibit B-4: Construction Mini-Perm Loan Funding Schedule

[illegible]

Exhibit B-4: Construction Mini-Perm Loan Funding Schedule

[illegible]

Exhibit B-4: Construction Mini-Perm Loan Funding Schedule

[illegible]

Exhibit B-5: IRR Cash Flows and Calculation

		TOTAL PROJECT CASH FLOW			
		100.00% Ownership interest			
					Leveraged IRR 18.98%
		Net Sale			
Period	Date	Contrib	Distrib	Proceeds	Cash Flow
		(37,871,355)	6,386,729	82,522,688	51,038,062
0	1-Mar-12	(33,500,000)	-	-	(33,500,000)
1	Mar-12	(4,318,453)	-	-	(4,318,453)
2	Apr-12	-	-	-	-
3	May-12	-	-	-	-
4	Jun-12	-	-	-	-
5	Jul-12	-	-	-	-
6	Aug-12	-	-	-	-
7	Sep-12	-	-	-	-
8	Oct-12	-	-	-	-
9	Nov-12	-	-	-	-
10	Dec-12	-	-	-	-
11	Jan-13	(1)	-	-	(1)
12	Feb-13	-	-	-	-
13	Mar-13	(1)	-	-	(1)
14	Apr-13	-	-	-	-
15	May-13	-	-	-	-
16	Jun-13	-	-	-	-
17	Jul-13	(1)	-	-	(1)
18	Aug-13	(1)	-	-	(1)
19	Sep-13	(2)	-	-	(2)
20	Oct-13	(1)	-	-	(1)
21	Nov-13	(2)	-	-	(2)
22	Dec-13	(2)	-	-	(2)
23	Jan-14	(3)	-	-	(3)
24	Feb-14	(5)	-	-	(5)
25	Mar-14	(4)	-	-	(4)
26	Apr-14	(5)	-	-	(5)
27	May-14	(8)	-	-	(8)
28	Jun-14	(8)	-	-	(8)
29	Jul-14	(10)	-	-	(10)
30	Aug-14	(11)	-	-	(11)
31	Sep-14	(14)	-	-	(14)
32	Oct-14	-	195	-	195
33	Nov-14	(45,056)	-	-	(45,056)
34	Dec-14	(7,767)	-	-	(7,767)
35	Jan-15	-	87,869	-	87,869
36	Feb-15	-	224,587	-	224,587
37	Mar-15	-	221,090	-	221,090
38	Apr-15	-	221,090	-	221,090
39	May-15	-	221,091	-	221,091
40	Jun-15	-	221,092	-	221,092
41	Jul-15	-	221,089	-	221,089
42	Aug-15	-	221,091	-	221,091
43	Sep-15	-	229,046	-	229,046
44	Oct-15	-	237,001	-	237,001
45	Nov-15	-	245,204	-	245,204
46	Dec-15	-	253,158	-	253,158
47	Jan-16	-	261,358	-	261,358
48	Feb-16	-	261,353	-	261,353
49	Mar-16	-	258,002	-	258,002
50	Apr-16	-	258,003	-	258,003
51	May-16	-	257,998	-	257,998
52	Jun-16	-	258,001	-	258,001
53	Jul-16	-	258,000	-	258,000
54	Aug-16	-	258,000	-	258,000
55	Sep-16	-	269,242	-	269,242
56	Oct-16	-	280,486	-	280,486
57	Nov-16	-	292,078	-	292,078
58	Dec-16	-	303,323	-	303,323
59	Jan-17	-	283,641	-	283,641
60	Feb-17	-	283,641	82,522,688	82,806,329

Exhibit B-5: IRR Cash Flows and Calculation

Equity Investor					General Partner (Developer)				
90.00% Ownership interest (Total Deal)					10.00% Ownership interest				
Leveraged IRR 18.98%					Leveraged IRR 18.98%				
Net Sale					Net Sale				
Period	Date	Contrib	Distrib	Proceeds	Cash Flow	Contrib	Distrib	Proceeds	Cash Flow
		(34,084,220)	5,748,056	74,270,419	45,934,256	(3,787,136)	638,673	8,252,269	5,103,806
0	1-Mar-12	(30,150,000)	-	-	(30,150,000)	(3,350,000)	-	-	(3,350,000)
1	Mar-12	(3,886,608)	-	-	(3,886,608)	(431,845)	-	-	(431,845)
2	Apr-12	-	-	-	-	-	-	-	-
3	May-12	-	-	-	-	-	-	-	-
4	Jun-12	-	-	-	-	-	-	-	-
5	Jul-12	-	-	-	-	-	-	-	-
6	Aug-12	-	-	-	-	-	-	-	-
7	Sep-12	-	-	-	-	-	-	-	-
8	Oct-12	-	-	-	-	-	-	-	-
9	Nov-12	-	-	-	-	-	-	-	-
10	Dec-12	-	-	-	-	-	-	-	-
11	Jan-13	(1)	-	-	(1)	(0)	-	-	(0)
12	Feb-13	-	-	-	-	-	-	-	-
13	Mar-13	(1)	-	-	(1)	(0)	-	-	(0)
14	Apr-13	-	-	-	-	-	-	-	-
15	May-13	-	-	-	-	-	-	-	-
16	Jun-13	-	-	-	-	-	-	-	-
17	Jul-13	(1)	-	-	(1)	(0)	-	-	(0)
18	Aug-13	(1)	-	-	(1)	(0)	-	-	(0)
19	Sep-13	(2)	-	-	(2)	(0)	-	-	(0)
20	Oct-13	(1)	-	-	(1)	(0)	-	-	(0)
21	Nov-13	(2)	-	-	(2)	(0)	-	-	(0)
22	Dec-13	(2)	-	-	(2)	(0)	-	-	(0)
23	Jan-14	(3)	-	-	(3)	(0)	-	-	(0)
24	Feb-14	(5)	-	-	(5)	(1)	-	-	(1)
25	Mar-14	(4)	-	-	(4)	(0)	-	-	(0)
26	Apr-14	(5)	-	-	(5)	(1)	-	-	(1)
27	May-14	(7)	-	-	(7)	(1)	-	-	(1)
28	Jun-14	(7)	-	-	(7)	(1)	-	-	(1)
29	Jul-14	(9)	-	-	(9)	(1)	-	-	(1)
30	Aug-14	(10)	-	-	(10)	(1)	-	-	(1)
31	Sep-14	(13)	-	-	(13)	(1)	-	-	(1)
32	Oct-14	-	176	-	176	-	20	-	20
33	Nov-14	(40,550)	-	-	(40,550)	(4,506)	-	-	(4,506)
34	Dec-14	(6,990)	-	-	(6,990)	(777)	-	-	(777)
35	Jan-15	-	79,082	-	79,082	-	8,787	-	8,787
36	Feb-15	-	202,128	-	202,128	-	22,459	-	22,459
37	Mar-15	-	198,981	-	198,981	-	22,109	-	22,109
38	Apr-15	-	198,981	-	198,981	-	22,109	-	22,109
39	May-15	-	198,982	-	198,982	-	22,109	-	22,109
40	Jun-15	-	198,983	-	198,983	-	22,109	-	22,109
41	Jul-15	-	198,980	-	198,980	-	22,109	-	22,109
42	Aug-15	-	198,982	-	198,982	-	22,109	-	22,109
43	Sep-15	-	206,141	-	206,141	-	22,905	-	22,905
44	Oct-15	-	213,301	-	213,301	-	23,700	-	23,700
45	Nov-15	-	220,684	-	220,684	-	24,520	-	24,520
46	Dec-15	-	227,842	-	227,842	-	25,316	-	25,316
47	Jan-16	-	235,222	-	235,222	-	26,136	-	26,136
48	Feb-16	-	235,218	-	235,218	-	26,135	-	26,135
49	Mar-16	-	232,202	-	232,202	-	25,800	-	25,800
50	Apr-16	-	232,203	-	232,203	-	25,800	-	25,800
51	May-16	-	232,198	-	232,198	-	25,800	-	25,800
52	Jun-16	-	232,201	-	232,201	-	25,800	-	25,800
53	Jul-16	-	232,200	-	232,200	-	25,800	-	25,800
54	Aug-16	-	232,200	-	232,200	-	25,800	-	25,800
55	Sep-16	-	242,318	-	242,318	-	26,924	-	26,924
56	Oct-16	-	252,437	-	252,437	-	28,049	-	28,049
57	Nov-16	-	262,870	-	262,870	-	29,208	-	29,208
58	Dec-16	-	272,991	-	272,991	-	30,332	-	30,332
59	Jan-17	-	255,277	-	255,277	-	28,364	-	28,364
60	Feb-17	-	255,277	74,270,419	74,525,696	-	28,364	8,252,269	8,280,633

Exhibit B-6: Rental Cash Flow Assumptions

Property Description																		
LOCATION:		New York, NY																
TYPE:		Development																
ANALYSIS START DATE:		Mar-12																
		<u>Property Attributes</u>				<u>Timing</u>												
Total Units:		163		(Including 1 non-revenue units)				Start		March-12								
Size:		109,872						Disposition Date		February-17								
Average Unit Size:		674						Hold Period		5								
Retail NRA:		12,750																
Total NRA		122,622																
Rental Assumptions					Market Rental Rates													
					<u>Ave Unit Size</u>		<u># of Units</u>											
					<u>Average Market Rate Units</u>		674		162									
							Year 1		Year 2		Year 3		Year 4		Year 5		Year 6	
General Vacancy Rate (Apts Only)					n/a		2.57%											
Credit/Collection Loss (Retail Only)					n/a		0.0%											
Non-Revenue Units					n/a		0.72%											
Economic Loss					n/a		3.3%											
Lease terms							12 months											
Expense Ratio							29% *											
Capital Reserves							\$350 per unit		3% Growth									

* Low expense ratio in the beginning due to 421a RET Abatement and increasing thereafter as the RET phase-in.

Exhibit B-7: Lease-Up Schedule

Space/Tenant Name	Commence	Multi Family Units	RSF	Term (yrs.)	Initial Base Rent (psf) Annually	Initial Base Rent per Unit / mo.	TI (psf)	TI Total	LC (psf)	LC Total	Free Rent (mos.)	Comments
RESIDENTIAL												
Average Unit	Sep-14	32	674	1	\$75.65	\$4,249					1	Assumes 30 units pre-leased
Average Unit	Oct-14	32	674	1	\$75.65	\$4,249					1	
Average Unit	Nov-14	33	674	1	\$75.65	\$4,249					1	
Average Unit	Dec-14	32	674	1	\$75.65	\$4,249					1	
Average Unit	Jan-15	33	674	1	\$75.65	\$4,249					1	
Super Unit (Non-revenue)		1	674									
Total Residential		163	109,872									
RETAIL												
Street Retail	Mar-13		6,350	10	\$150.00	NET	\$50.00	\$317,500				2% annual increase
Basement Retail	Apr-13		6,400	10	\$35.00	NET	\$50.00	\$320,000				2% annual increase
Total Retail			12,750									
Total Lease-Up (sf)					122,622	100.0% of NRA						
Other Rentable Space												
Basement Storage	Mar-13		6,400	n/a	\$25.42	NET						2% annual increase

Exhibit C

309 5th Avenue (Condo)

Exhibit C-1:Assumptions and Summary Page

Project Development Budget (Condo Scenario)				
Uses of Funds	\$ Amount	% Total	Per Unit	Per RSF
Land Costs	\$33,500,000	29.6%	\$257,692	\$273.13
Hard Costs	57,743,620	51.0%	\$444,182	\$470.80
Soft Costs	9,960,000	8.8%	\$76,615	\$81.21
Retail Leasing	1,473,511	1.3%	\$11,335	\$12.01
Development Fees	2,708,145	2.4%	\$20,832	\$22.08
Financing Fees	2,830,994	2.5%	\$21,777	\$23.08
NOL/Capitalized Interest	5,023,504	4.4%	\$38,642	\$40.96
		0.0%	\$-	\$-
Total Uses of Funds	\$113,239,774	100.0%	\$ 871,075	\$ 923.28
Total Ex-Land	\$79,739,774	70.4%	\$613,383	\$650.14
Sources of Funds	\$ Amount	% Total	Per Unit	Per RSF
Debt Financing	\$56,619,887	50.0%	\$435,538	\$461.64
Equity Financing	56,619,887	50.0%	\$435,538	\$461.64
Total Sources of Funds	\$113,239,774	100.0%	\$871,075	\$923

Property Assumptions			
Building Square Footage		GSF	RSF
Residential	85.6%	128,386	109,900
Retail	100%	12,750	12,750
Total	86.9%	141,136	122,650
Residential Units			130
RSF per Residential Unit			845

Exit Assumptions			
Gross Condo Sales	\$1,099,000 per unit		\$1300 psf
Sales Costs			9.0%
Net Condo Sales	\$1,000,090 per unit		\$1183 psf
Presold Units			10%
Retail Exit Month			month 41
Retail Exit Cap Rate			7.0%
Sales Costs			3.75%
Net Sales Proceeds	\$16,038,802		\$1258 psf

Financing Assumptions	
Loan to Cost	50.0%
Interest Rate	7.00%
* Net Condo Sales pay down outstanding loan balance first	

Condo Sales Costs			
	%	per Unit	Amount
Condo Sales Costs			
Listing Agent	3.00%	\$ 32,970	4,286,100
Coop	3.00%	\$ 32,970	4,286,100
Misc Closing Costs	3.00%	\$ 32,970	4,286,100
	9.00%	98,910	12,858,300
Sources vs. Uses Goal Seek			0
^NOTE: To balance the model after making assumption changes, you need to goal seek cell \$G\$59 to value of zero by changing cell \$D\$21.			

Project Capitalization Summary		
	Amount	% of Total
Debt	56,619,887	50.0%
Investor Equity		
	50,957,898	45.0%
Developer Equity	5,661,989	5.0%
Total Development Budget	\$113,239,774	100%

Summary of Financial Returns	
Base Case	
Holding Period	48 Months
Unleveraged IRR	15.22%
Unleveraged Equity Multiple	1.39x
Leveraged IRR	15.30%
Leveraged Equity Multiple	1.60x
Leveraged:	19.00%

Timing Assumptions					
	Start Month	Duration	End Month	Start Date	End Date
Start Date					Mar-12
Construction Period	7	24	30	Sep-12	Aug-14
Condo Sales Period	31	18	48	Sep-14	Feb-16
Retail Lease Up	40	-	40	Jun-15	Jun-15
Retail Condo Sale	48	-	48	Feb-16	Feb-16
Acquisition Costs	-	-	-	Feb-12	Feb-12
Hard Costs	7	24	30	Sep-12	Aug-14
Soft Costs	1	24	24	Mar-12	Feb-14
Development Fee	7	25	31	Sep-12	Sep-14
Financing Fees	-	1	1	Feb-12	Mar-12

Retail Leasing Assumptions						
	SF	Lease Date	NNN Rent	TI	LC	Ann Esclation
Suite 1	6,350	Jun-15	\$150.00	\$50.00	6.0%	2.0%
Suite 2	6,400	Jun-15	\$35.00	\$50.00	6.0%	2.0%
Suite 3	-		\$-	\$-	0.0%	0.0%
Suite 4	-		\$-	\$-	0.0%	0.0%
Suite 5	-		\$-	\$-	0.0%	0.0%
Total	12,750		\$99.80	\$50.00	0.0%	0.0%
Average Lease Term (Years)						10

Summary Statistics			
		Unleveraged	Leveraged
Holding Period	48 months		
IRR		15.2%	15.3%
Equity Multiple		1.39x	1.60x
Peak Equity Capital		103,911,765	56,619,887
Net Profit		40,771,268	33,924,270
Residenital Condo Margin		23%	20%

309 5th Avenue (Condo)

Pro Forma

Exhibit C-2: Detailed Project Budget

	Inputs	\$ Amount	Per Resi Unit	Per RSF	Per GSF
Acquisition Costs					
Residential Land Purchase Price	\$246,154 per Unit	\$32,000,000	\$246,154	\$260.91	\$226.73
Closing/DD Costs	\$118 per GSF	1,500,000	11,538	\$12.23	\$10.63
Total Acquisition Costs		\$33,500,000	\$257,692	\$273.13	\$237.36
Hard Costs					
Hard Costs (10% Premium Over Rental)	\$440.00 per NSF	53,966,000	415,123	\$440.00	\$382.37
Contingency - Construction	7.00% of Basic HCs	3,777,620	29,059	\$30.80	\$26.77
Total Hard Costs		\$57,743,620	\$444,182	\$470.80	\$409.13
Soft Costs					
Legal		575,000	4,423	\$4.69	\$4.07
A&E		1,570,000	12,077	\$12.80	\$11.12
Governmental Fees		720,000	5,538	\$5.87	\$5.10
Marketing		1,210,000	9,308	\$9.87	\$8.57
Insurance		1,600,000	12,308	\$13.05	\$11.34
Misc. Soft Costs		1,300,000	10,000	\$10.60	\$9.21
421a Tax Abatement Costs		2,385,000	18,346	\$19.45	\$16.90
Soft Cost Contingency		600,000	4,615	\$4.89	\$4.25
Total Soft Costs		\$9,960,000	\$76,615	\$81.21	\$70.57
Retail Leasing					
Tenant Improvements	\$50.00 per Retail SF	637,500	4,904	\$5.20	\$4.52
Leasing Commissions	6.0% of Total Lease Rent or	836,011	6,431	\$6.82	\$5.92
Total Retail Leasing		\$1,473,511	\$11,335	\$12.01	\$10.44
Development Fee					
Development Fee	4.00% % of Hard/Soft	2,708,145	20,832	\$22.08	\$19.19
Total Development Fee		\$2,708,145	\$20,832	\$22.08	\$19.19
Financing Fees					
Origination/Recordation/Etc	5.00% % of Loan Amount	2,830,994	21,777	\$23.08	\$20.06
Total Financing Fees		\$2,830,994	\$21,777	\$23.08	\$20.06
Other Costs					
NOL - Condo Fees		1,007,500	7,750	\$8.21	\$7.14
Capitalized Interest		4,016,004	30,892	\$32.74	\$28.45
Total Other Costs		\$5,023,504	\$38,642	\$32.74	\$28.45
Total Development Costs	TRUE	\$113,239,774	\$871,075	\$923.28	\$802.35
Total Development Costs (Ex-Land)		\$79,739,774	\$613,383	\$650.14	\$564.99

309 5th Avenue (Condo)

Pro Forma

Exhibit C-3: Condo Sales Summary

Condominium Assumptions

Total Gross SF		128,386
Total Units		130
Presold Units	10.0%	13
Remaining Units	90.0%	117
Start Selling		31
Sellout Period		18 months
Sales Velocity (units/month)		6.50
Sellout		48
Condo Fees (monthly per Unit)		\$1,000

Sales

	Per Unit	Per SF
Gross Avg. Price	\$1,099,000	\$1,300
Cost of Sale	9.0%	
Net Avg. Price	\$1,000,090	\$1,183

Condominium Sales Schedule

Month 1	Presales	Units Sold	Cumulative Units Sold	Net Sales	Cumulative Net Sales	Operating Loss Condo Fees	% of Operating Loss	Remaining Units
1	0	0	0	\$0	\$0	\$0	0%	130
2	0	0	0	\$0	\$0	\$0	0%	130
3	0	0	0	\$0	\$0	\$0	0%	130
4	0	0	0	\$0	\$0	\$0	0%	130
5	0	0	0	\$0	\$0	\$0	0%	130
6	0	0	0	\$0	\$0	\$0	0%	130
7	0	0	0	\$0	\$0	\$0	0%	130
8	0	0	0	\$0	\$0	\$0	0%	130
9	0	0	0	\$0	\$0	\$0	0%	130
10	0	0	0	\$0	\$0	\$0	0%	130
11	0	0	0	\$0	\$0	\$0	0%	130
12	0	0	0	\$0	\$0	\$0	0%	130
13	0	0.00	0	\$0	\$0	\$0	0%	130
14	0	0.00	0	\$0	\$0	\$0	0%	130
15	0	0.00	0	\$0	\$0	\$0	0%	130
16	0	0.00	0	\$0	\$0	\$0	0%	130
17	0	0.00	0	\$0	\$0	\$0	0%	130
18	0	0.00	0	\$0	\$0	\$0	0%	130
19	0	0.00	0	\$0	\$0	\$0	0%	130
20	0	0.00	0	\$0	\$0	\$0	0%	130
21	0	0.00	0	\$0	\$0	\$0	0%	130
22	0	0.00	0	\$0	\$0	\$0	0%	130
23	0	0.00	0	\$0	\$0	\$0	0%	130
24	0	0.00	0	\$0	\$0	\$0	0%	130
25	0	0.00	0	\$0	\$0	\$0	0%	130
26	0	0.00	0	\$0	\$0	\$0	0%	130
27	0	0.00	0	\$0	\$0	\$0	0%	130
28	0	0.00	0	\$0	\$0	\$0	0%	130
29	0	0.00	0	\$0	\$0	\$0	0%	130
30	0	0.00	0	\$0	\$0	\$0	0%	130
31	13	6.50	20	\$19,501,755	\$19,501,755	\$123,500	12%	111
32	0	6.50	27	\$6,500,585	\$26,002,340	\$104,000	10%	104
33	0	6.50	34	\$6,500,585	\$32,502,925	\$97,500	10%	98
34	0	6.50	41	\$6,500,585	\$39,003,510	\$91,000	9%	91
35	0	6.50	48	\$6,500,585	\$45,504,095	\$84,500	8%	85
36	0	6.50	55	\$6,500,585	\$52,004,680	\$78,000	8%	78
37	0	6.50	62	\$6,500,585	\$58,505,265	\$71,500	7%	72
38	0	6.50	69	\$6,500,585	\$65,005,850	\$65,000	6%	65
39	0	6.50	76	\$6,500,585	\$71,506,435	\$58,500	6%	59
40	0	6.50	83	\$6,500,585	\$78,007,020	\$52,000	5%	52
41	0	6.50	90	\$6,500,585	\$84,507,605	\$45,500	5%	46
42	0	6.50	97	\$6,500,585	\$91,008,190	\$39,000	4%	39
43	0	6.50	104	\$6,500,585	\$97,508,775	\$32,500	3%	33
44	0	6.50	111	\$6,500,585	\$104,009,360	\$26,000	3%	26
45	0	6.50	118	\$6,500,585	\$110,509,945	\$19,500	2%	20
46	0	6.50	125	\$6,500,585	\$117,010,530	\$13,000	1%	13
47	0	6.50	132	\$6,500,585	\$123,511,115	\$6,500	1%	7
48	0	6.50	139	\$6,500,585	\$130,011,700	\$0	0%	0

309 5th Avenue (Condo)

Exhibit C-4: Annual Cash Flow Summary

Year		1	2	3	4
Equity Investment Summary	56,619,887	56,619,887	-	-	-
<i>Cumulative Equity Investment</i>					
<u>Condo Sales Summary</u>					
Net Condo Sales	130,011,700	-	-	52,004,680	78,007,020
Total Net Residential Sales	130,011,700	-	-	52,004,680	78,007,020
<u>Construction Loan DRAWS</u>					
Loan Draws	51,596,383	2,916,549	31,719,882	15,486,441	1,473,511
Interest	4,016,004	17,013	1,440,883	2,537,184	20,923
Loan Paydown	(55,612,387)	-	-	(52,004,680)	(3,607,707)
End Balance	-	2,933,562	33,160,766	(33,981,055)	(2,113,273)
<u>Construction Loan Paydown</u>					
Proceeds after Paydown	74,399,313	-	-	-	74,399,313
<u>Retail Income</u>					
NOI	848,333	-	-	-	848,333
Sales Proceeds	16,038,802	-	-	-	16,038,802
Total	16,887,135				

Year		1	2	3	4
Development Cost	(105,385,276)	(56,705,441)	(31,719,882)	(15,486,441)	(1,473,511)
Net Condo Sales	130,011,700	-	-	52,004,680	78,007,020
CLD/TDR Sales	-	-	-	-	-
Retail NOI	106,042	-	-	-	106,042
Retail Condo - Net Sales Proceeds	16,038,802	-	-	-	16,038,802
Unlevered Cash Flow	40,771,268	(56,705,441)	(31,719,882)	36,518,239	92,678,353
<i>Cumulative Unlevered CF</i>		534,201,794	886,644,530	994,390,520	1,309,708

Unlevered Summary Statistics	
Unlevered IRR	15.2%
Peak Capital	103,911,765
Net Profit	40,771,268
Profit Multiple	1.39x

Development Cost	(59,536,436)	-	-	-
Loan Draws	2,916,549	-	-	-
Net Condo Sales (after Debt paydown)	-	-	-	-
CLD/TDR Sales	-	-	-	-
Retail NOI	-	-	-	-
Retail Condo - Net Sales Proceeds	-	-	-	-
Levered Cash Flow	(56,619,887)	-	-	-
<i>Cumulative Unlevered CF</i>	534,116,240	-	-	-

Leveraged Summary Statistics	
Unlevered IRR	15.3%
Peak Capital	56,619,887
Net Profit	33,924,270
Profit Multiple	1.60x

309 5th Avenue (Condo)

Vertical Pro Forma

Exhibit C-5: Monthly Cash Flow Summary

Month	1	2	3	4	5	6	7	8	9	10	11	12
Year	1	1	1	1	1	1	1	1	1	1	1	1
Date	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13
Development Costs												
Acquisition Costs	100.0%	33,500,000	TRUE	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Hard Costs	100.0%	57,743,620	TRUE	0.0%	0.0%	0.0%	0.0%	0.0%	4.2%	4.2%	4.2%	4.2%
Soft Costs	100.0%	9,960,000	TRUE	40.0%	5.8%	5.8%	5.8%	5.8%	1.3%	1.3%	1.3%	1.3%
Retail Leasing	100.0%	1,473,511	TRUE	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Development Fees	100.0%	2,708,145	TRUE	0.0%	0.0%	0.0%	0.0%	4.2%	4.2%	4.2%	4.2%	4.2%
Subtotal - No financing fees		105,385,276		37,484,000	581,000	581,000	581,000	581,000	3,099,824	2,643,324	2,643,324	2,643,324
Financing Fees	100.0%	2,830,994	TRUE	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Total Development Costs		108,216,270	TRUE	37,484,000	581,000	581,000	581,000	581,000	3,099,824	2,643,324	2,643,324	5,474,318
Equity Investment Summary												
Equity Investment Summary		56,619,887	TRUE	37,484,000	581,000	581,000	581,000	581,000	3,099,824	2,643,324	2,643,324	2,557,769
Cumulative Equity Investment				37,484,000	38,065,000	38,646,000	39,227,000	39,808,000	40,389,000	43,488,824	46,132,147	56,619,887
Condo Sales Summary												
Net Condo Sales		130,011,700	TRUE	-	-	-	-	-	-	-	-	-
Total Net Residential Sales		130,011,700		-	-	-	-	-	-	-	-	-
Construction Loan DRAWS												
Beg Balance				-	-	-	-	-	-	-	-	-
Loan Draws		51,596,383		-	-	-	-	-	-	-	-	2,916,549
Interest		4,016,004	FALSE	-	-	-	-	-	-	-	-	17,013
Loan Paydown		(55,612,387)		-	-	-	-	-	-	-	-	-
End Balance				-	-	-	-	-	-	-	-	2,933,562
		74,399,313		-	-	-	-	-	-	-	-	-
Construction Loan Paydown												
Proceeds after Paydown		74,399,313		-	-	-	-	-	-	-	-	-
Retail Income												
NOI		848,333		-	-	-	-	-	-	-	-	-
Sales Proceeds		16,038,802		-	-	-	-	-	-	-	-	-
Total		16,887,135		-	-	-	-	-	-	-	-	-
Unleveraged Summary Statistics												
Unleveraged IRR		15.2%										
Peak Equity Capital		103,911,765										
Net Profit		40,771,268										
Profit Multiple		1.39x										
Leveraged Summary Statistics												
Leveraged IRR		15.3%										
Peak Equity Capital		56,619,887										
Net Profit		33,924,270										
Profit Multiple		1.60x										
Unleveraged Summary												
Development Cost	(105,385,276)		(37,484,000)	(581,000)	(581,000)	(581,000)	(581,000)	(581,000)	(3,099,824)	(2,643,324)	(2,643,324)	(2,643,324)
Net Condo Sales	130,011,700		-	-	-	-	-	-	-	-	-	-
CLD/TDR Sales	-		-	-	-	-	-	-	-	-	-	-
Retail NOI	106,042		-	-	-	-	-	-	-	-	-	-
Retail Condo - Net Sales Proceeds	16,038,802		-	-	-	-	-	-	-	-	-	-
Unlevered Cash Flow	40,771,268		(37,484,000)	(581,000)	(581,000)	(581,000)	(581,000)	(581,000)	(3,099,824)	(2,643,324)	(2,643,324)	(2,643,324)
Cumulative Unlevered CF			37,484,000	38,065,000	38,646,000	39,227,000	39,808,000	40,389,000	43,488,824	46,132,147	48,775,471	56,705,441
Leveraged Summary												
Development Cost	(108,216,270)		(37,484,000)	(581,000)	(581,000)	(581,000)	(581,000)	(581,000)	(3,099,824)	(2,643,324)	(2,643,324)	(5,474,318)
Loan Draws	51,596,383		-	-	-	-	-	-	-	-	-	2,916,549
Net Condo Sales (after Debt paydown)	74,399,313		-	-	-	-	-	-	-	-	-	-
CLD/TDR Sales	-		-	-	-	-	-	-	-	-	-	-
Retail NOI	106,042		-	-	-	-	-	-	-	-	-	-
Retail Condo - Net Sales Proceeds	16,038,802		-	-	-	-	-	-	-	-	-	-
Levered Cash Flow	33,924,270		(37,484,000)	(581,000)	(581,000)	(581,000)	(581,000)	(581,000)	(3,099,824)	(2,643,324)	(2,643,324)	(2,557,769)
Cumulative Unlevered CF			37,484,000	38,065,000	38,646,000	39,227,000	39,808,000	40,389,000	43,488,824	46,132,147	48,775,471	56,619,887

Exhibit C-5: Monthly Cash Flow Summary

[illegible]

Exhibit C-5: Monthly Cash Flow Summary

[illegible]

Exhibit C-5: Monthly Cash Flow Summary

37 4	38 4	39 4	40 4	41 4	42 4	43 4	44 4	45 4	46 4	47 4	48 4
Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
-	-	1,473,511	-	-	-	-	-	-	-	-	-
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
-	-	1,473,511	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
56,619,887	56,619,887	56,619,887	56,619,887	56,619,887	56,619,887	56,619,887	56,619,887	56,619,887	56,619,887	56,619,887	56,619,887
6,500,585	6,500,585	6,500,585	6,500,585	6,500,585	6,500,585	6,500,585	6,500,585	6,500,585	6,500,585	6,500,585	6,500,585
6,500,585	6,500,585	6,500,585	6,500,585	6,500,585	6,500,585	6,500,585	6,500,585	6,500,585	6,500,585	6,500,585	6,500,585
2,113,273	-	-	-	-	-	-	-	-	-	-	-
-	-	1,473,511	-	-	-	-	-	-	-	-	-
12,327	-	8,595	-	-	-	-	-	-	-	-	-
(2,125,600)	-	(1,482,107)	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
4,374,985	6,500,585	5,018,478	6,500,585	6,500,585	6,500,585	6,500,585	6,500,585	6,500,585	6,500,585	6,500,585	6,500,585
-	-	-	106,042	106,042	106,042	106,042	106,042	106,042	106,042	106,042	-
-	-	-	-	16,038,802.08	-	-	-	-	-	-	-
-	-	-	106,042	16,144,844	106,042	106,042	106,042	106,042	106,042	106,042	-
-	-	(1,473,511)	-	-	-	-	-	-	-	-	-
6,500,585	6,500,585	6,500,585	6,500,585	6,500,585	6,500,585	6,500,585	6,500,585	6,500,585	6,500,585	6,500,585	6,500,585
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	106,042	-	-	-	-	-	-	-	-
-	-	-	-	16,038,802	-	-	-	-	-	-	-
6,500,585	6,500,585	5,027,074	6,606,627	22,539,387	6,500,585	6,500,585	6,500,585	6,500,585	6,500,585	6,500,585	6,500,585
45,406,500	38,905,915	33,878,841	27,272,214	4,732,827	(1,767,758)	(8,268,343)	(14,768,928)	(21,269,513)	(27,770,098)	(34,270,683)	(40,771,268)
-	-	(1,473,511)	-	-	-	-	-	-	-	-	-
-	-	1,473,511	-	-	-	-	-	-	-	-	-
4,374,985	6,500,585	5,018,478	6,500,585	6,500,585	6,500,585	6,500,585	6,500,585	6,500,585	6,500,585	6,500,585	6,500,585
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	106,042	-	-	-	-	-	-	-	-
-	-	-	-	16,038,802	-	-	-	-	-	-	-
4,374,985	6,500,585	5,018,478	6,606,627	22,539,387	6,500,585	6,500,585	6,500,585	6,500,585	6,500,585	6,500,585	6,500,585
52,244,902	45,744,317	40,725,839	34,119,212	11,579,825	5,079,240	(1,421,345)	(7,921,930)	(14,422,515)	(20,923,100)	(27,423,685)	(33,924,270)

Vertical Pro Forma

Average Lease Term (Years)	10
----------------------------	----

Sale Month	41
Reversion NOI	1,166,458
Reversion Cap Rate	7.0%
Sales Cost	3.75%
Net Sales Proceeds	\$ 16,038,802

309 5th Avenue (Condo)

Exhibit C-7: Condo Unit Mix

Unit Type	% Mix	Count	Avg Size (SF)	Total Size (SF)
JR 1 Bed	12%	15	480	7,200
1 Bed - 1 BA	27%	35	650	22,750
1 Bed + Den	15%	20	750	15,000
2 Bed 2 Bath	35%	45	1,010	45,450
3 Bed 2 Bath	12%	15	1,300	19,500
Total		130	845	109,900

Exhibit D-1 (Nancy Packes Mid-Year 2011 Rental Report)



2011 Midyear Rental Report

Overview of the Collaboration

This report details the rise in the rental market, documenting the gains and examining the shifts at the low and high ends of the market which substantiate its strength. Also, for the first time, the report compares rental units in condominium buildings to those in rental buildings.

In addition to the quantitative analyses, this report looks qualitatively at continuing shifts in employment trends that we first noted in the 2010 Year End Report. The report also takes an innovative look at a new Renter's Confidence Index charting the ratio of income to rent over the past five years.

To produce this comprehensive overview, Nancy Packes, Inc. has collaborated with StreetEasy.com and On-Site.com. For this report StreetEasy has provided the rental data and On-Site has provided the demographic data. The New York real estate market is one of the most watched, dynamic and valuable markets in the world, with many companies striving for a role in providing services and data. In this tremendously competitive environment, StreetEasy and On-Site have emerged as pre-eminent resources for both consumers and professionals.

StreetEasy.com is a real estate website providing in-depth sales and rental information across all brokerages and offering consumers and professionals the power to search, sort and manage that information effectively, as well as the tools needed to stay on top of the market.

For the insightful qualitative data concerning employment and income, we have collaborated with On-Site.com. Founded in 1999, On-Site has grown to become the gold standard for innovation in the apartment business. On-Site allows apartment operators to maximize occupancy, enhance quality control, maintain compliance and ensure consistent success at all levels of property operations.

Current Rental Levels

The report charts both average and median increases between year-end 2010 and midyear 2011. Coincidentally, for both calculations, the studio-two bedroom portion of the whole market is identical at 5.4%. As expected, the averages are much more volatile with a higher rate of increase in average attended building rents of 9.8%

for the period. The average is even higher in the unattended building sector, as sharply rising rents have increased demand for unattended buildings.

Substantial though these increases are, the effective increase is actually higher. For the year 2010 approximately 25% of all transactions counted a concession equal to approximately one month's rent, or 8% of the annual rent. Today, concessions have practically disappeared. This change adds an effective 2% to rent increases. Please see the chart on page 29 for more information.

Rental Market Strength

From 1990 through the latest peak in 2008, the rental market achieved an average gain of approximately 4% per year in attended lobby buildings. Though this increase is not net of inflation, compared to the stock market where an investment may not see positive returns for decades depending on the point of entry, the rental market, with its shorter and less volatile cycles, has proven to be a powerful magnet for local, national and international financial entities seeking a stable hedge against more volatile businesses and real estate sectors like commercial and retail.

Yet, in the near term, future rental supply in Manhattan remains low. The recent extension of 421-a tax benefits makes some rental developments plausible, but with strong competition from condominium developers the price of land, which has once again approached all time highs, is negating the possibility. The chart on page 30 shows the number of units currently foreseen for rental development in Manhattan compared to the annual average since 1997 of more than 3,200 units per year. At 3,584 units currently foreseen, the annual average for the next few years should be well below trend. The details on these projects are on pages 31 to 34 of the report.

As the outer boroughs (and, to a lesser extent, New Jersey) continue to develop market rate rentals, the new supply from these areas also needs to be considered. To a large extent, these areas benefit from the demand of existing area residents who upgrade their accommodations. But, they also share demand with the Manhattan market. Before the recent surge in development in these areas of Brooklyn and Queens, the difference in rent with the Manhattan market was a substantial 30%. For the past year the difference has been closer to 10%, tracking at the same level as older Manhattan buildings.

This is significant because, despite this effective addition to supply, it has not dampened Manhattan rent growth. As conditions in Manhattan, primarily the price of land, continue to impede rental development, supply will continue to be displaced

to the outer boroughs. The available land mass in these areas offers intriguing possibilities for multi-family housing. As this trend takes hold, the impact on supply needs to be mentioned. Through 2013, however, the market seems poised for above average growth that we estimate to be approximately 6%.

Rent Trends

The charts on pages 23 to 28 show the premium between attended and unattended lobby buildings. As rents have surged over the past 18 months, the premium for attended lobby buildings has decreased. For the period between 2010 and midyear 2011 the premium for attended lobby units changed as follows: for studios a decrease of 36%, for one-bedrooms a decrease of 21%, for two-bedrooms a decrease of 18%, and for three-bedrooms a decrease of 19%. The correlation is clear that the more budget-conscious renters were more willing to accept unattended buildings to remain in Manhattan. For the four-bedroom-and-larger renter, the opposite effect manifested with the premium increasing in the period for attended lobby buildings by a whopping 34%.

Part of the demand at four-bedroom-and-larger end of the rental market represents a shift towards renting and away from buying. The quality of high-end rentals has tended to converge with the quality of homes for sale. The durability of this trend remains to be seen.

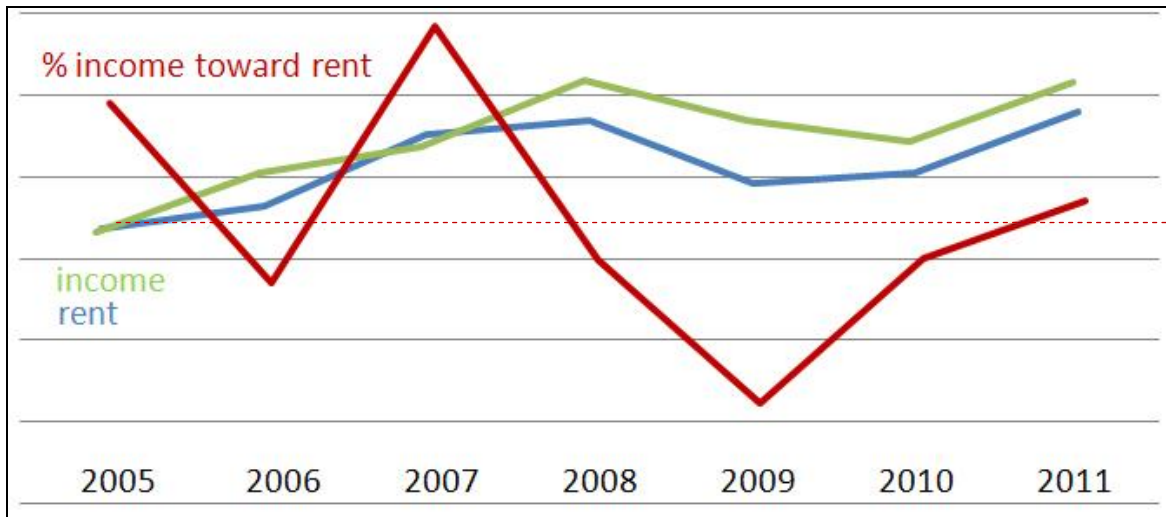
Premiums for Condominium vs. Rental Units

As expected, the comparison between condominium rentals and units in rental buildings shows a demonstrable premium which increases with home size. The premium is also most pronounced in more valuable neighborhoods. It will be interesting to observe how this premium changes as the rental housing stock looks more like the condominium housing stock in terms of furnishings, amenities and architecture.

The Demographics of the Market

Jake Harrington, Chief Revenue Officer at On-Site has provided the following comments:

Renter's Confidence Index



SOURCE: ON-SITE.COM

We studied a five-year trend by plotting the rent/income percentage of rental lease applications alongside income and rental rates. The study uses gross income and effective rents for nearly one million transactions.

Naturally, incomes and rental rates correlate. As incomes steadily increased from 2005 to a peak in 2008, rents showed a steady increase. And as incomes began to recover last year, rental rates followed course.

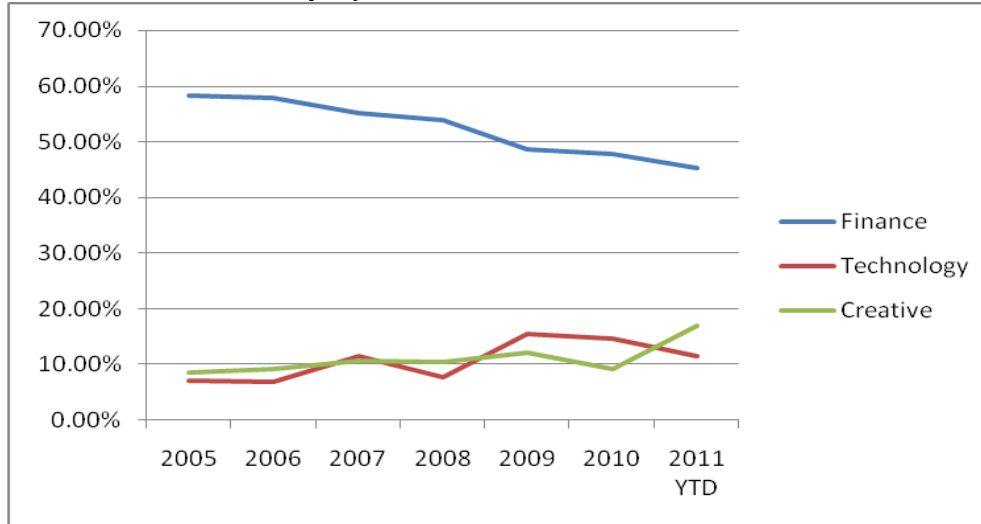
We view the opportunity to look at the rent/income ratio to measure the marketplace's capacity to absorb rent increases. As the ratio increases, a household is spending a larger percentage of income on housing.

While measuring income may be a good gauge of a renter's ability to pay rent, the rent/income ratio represents the willingness to do so – a sort of barometer on consumer confidence. The first quarter of 2007 represents a high water mark for this figure, before it swung over 20% lower over the next 24 months.

How does the current measure compare to the previous period of sustained rent increases? Comparing the rent/income percentage during the period of rental rate increase from 2005-2008 to today suggests that today's Manhattan market still

has capacity to absorb rent increases. The ratio is currently at its five-year average. In the previous run-up in rents, the ratio was below this average for only two quarters out of 14 that began in 2005 and continued until the Wall Street meltdown.

Manhattan Renter Employment Trend



SOURCE: ON-SITE.COM

One notable trend we observe in the types of employment for Manhattan renters is a continuing slide in investment banking and other Finance jobs. In 2005, there were eight Finance industry jobs for every one Technology job; today that ratio is four to one.

The last 18 months has shown a boost in the number of Creative jobs such as media and fashion. Its contribution has doubled in size since last year, and the number of employers hiring in the Creative category is 70% higher than its five-year average.

Conclusion

The decline in financial sector employment taken alone would have resulted in a weakening of rental demand and lowered rents. The expansion in New York City population as reported by the U.S. Census Bureau at over 160,000 people in the period from 2000 to 2010 and the increase in these alternative employment sectors is simply testament to the extraordinary magnetic attraction that New York offers to dynamic businesses. These trends, and others yet to be foreseen, are implicit in the shift away from Finance and towards other activities as the true and continuing source of New York City's strength.

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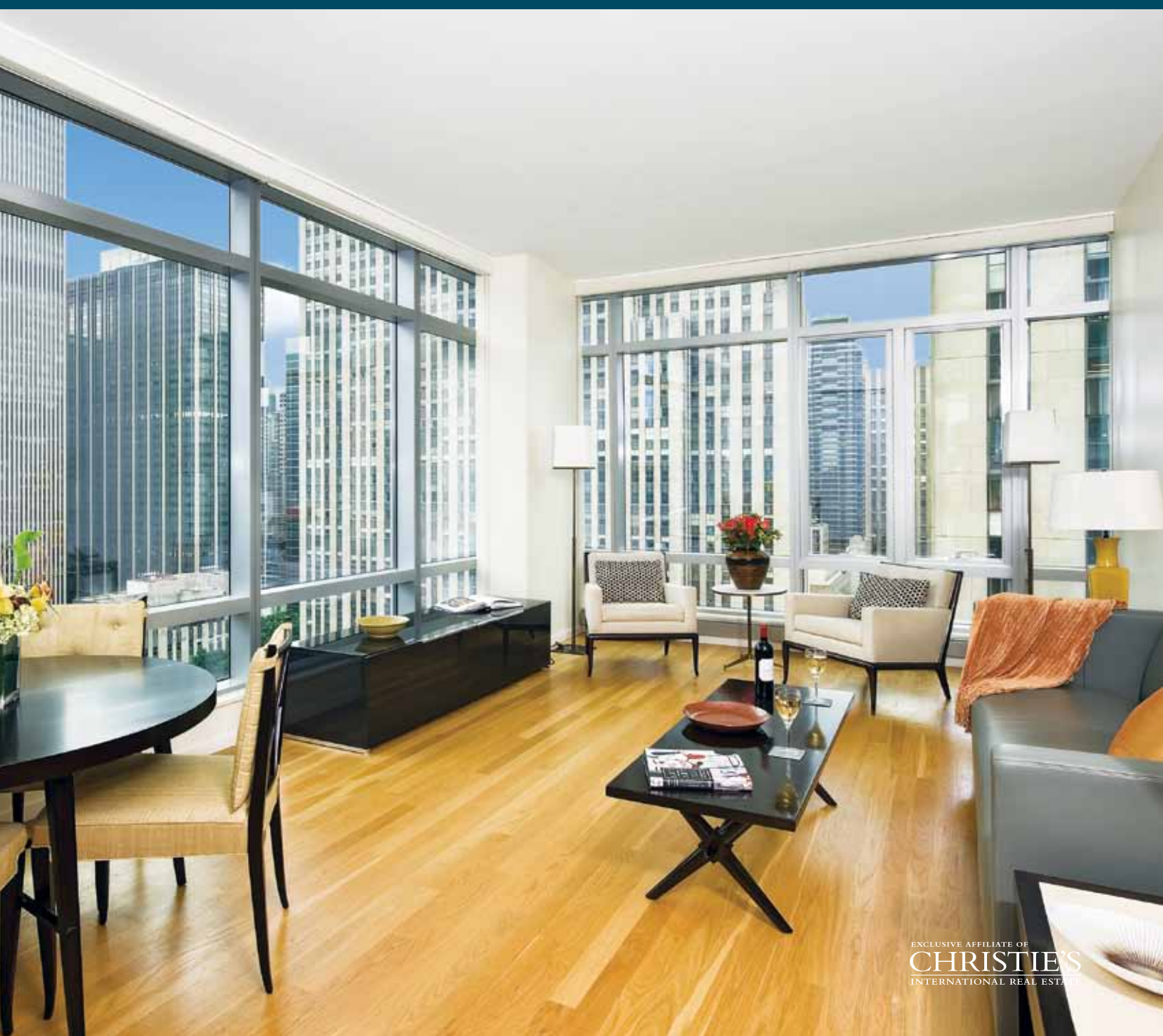
Exhibit D-2 (Brown Harris Stevens Condo Market Report)

BROWN HARRIS STEVENS

Established 1873

Manhattan Residential Market Report

Third Quarter 2011

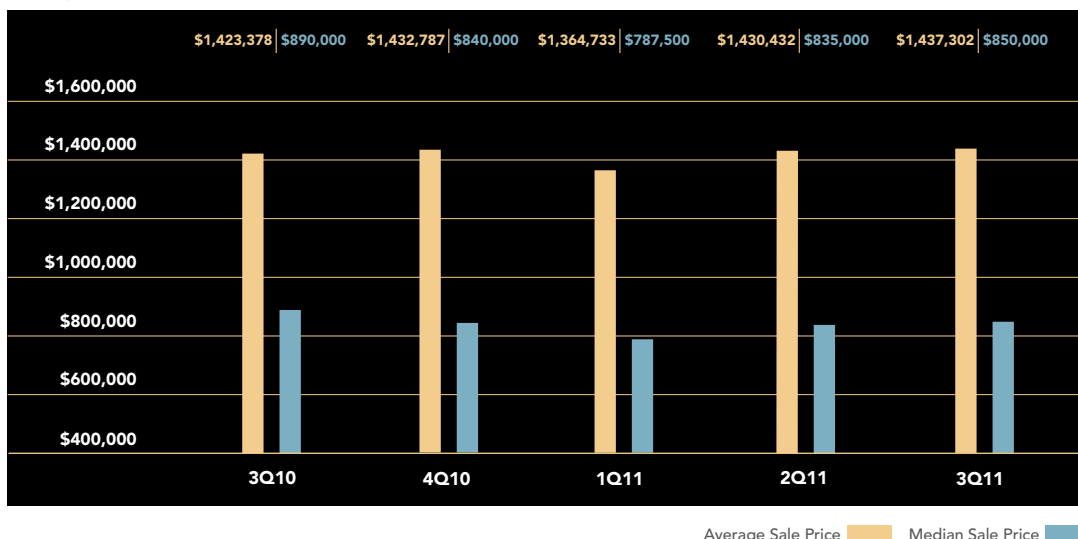


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Manhattan Cooperatives and Condominiums

Prices for Manhattan apartments rose slightly over the past year, reaching an average of \$1,437,302 in the third quarter. This was a 1% increase from the third quarter of 2010, although the median price fell 4% during this time to \$850,000. The number of reported apartment sales rose 1% from a year ago to 2,492.

Average and Median Sale Price



A 17% gain in three-bedroom and larger apartments helped push the average price for all co-ops 2% higher from 2010's third quarter, to \$1,180,442. The average price did decline for both studio and one-bedroom co-ops compared to a year ago.

Cooperative Average Sale Price

	Studio	1-Bedroom	2-Bedroom	3+ Bedroom	All
3rd Q 11	\$343,363	\$577,256	\$1,221,556	\$3,559,549	\$1,180,442
2nd Q 11	\$351,499	\$590,688	\$1,308,501	\$3,675,849	\$1,214,047
1st Q 11	\$331,846	\$582,669	\$1,210,817	\$3,157,789	\$1,070,229
4th Q 10	\$342,545	\$593,718	\$1,231,116	\$3,150,700	\$1,158,333
3rd Q 10	\$366,086	\$606,444	\$1,206,257	\$3,049,980	\$1,156,733

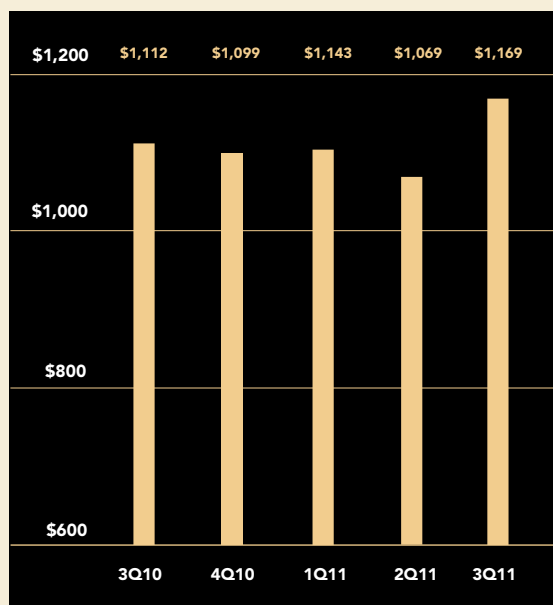
All sizes of condo apartments saw their average price rise over the past year, led by a 6% gain in studio apartments. The overall average condo price rose 2% during this time to \$1,756,744.

Condominium Average Sale Price

	Studio	1-Bedroom	2-Bedroom	3+ Bedroom	All
3rd Q 11	\$525,014	\$837,707	\$1,652,607	\$3,844,301	\$1,756,744
2nd Q 11	\$493,992	\$796,378	\$1,652,085	\$3,724,128	\$1,670,908
1st Q 11	\$517,980	\$820,419	\$1,631,454	\$3,853,227	\$1,745,464
4th Q 10	\$495,002	\$844,964	\$1,637,638	\$4,567,750	\$1,751,219
3rd Q 10	\$495,876	\$809,514	\$1,596,021	\$3,835,376	\$1,724,180

Average Price Per Square Foot

New Developments

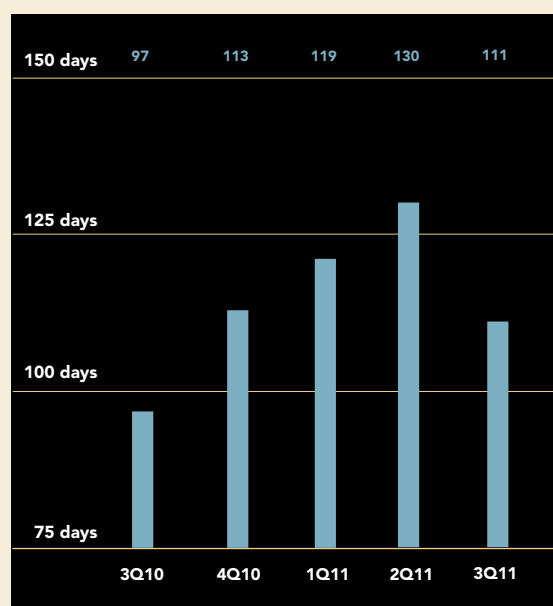


Lofts



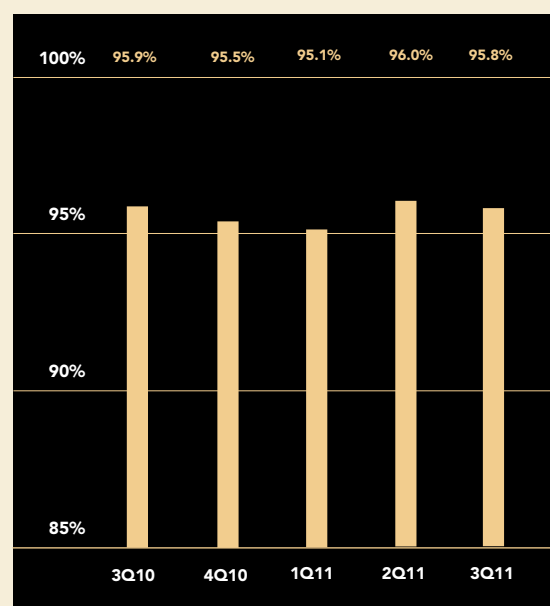
Apartments in new developments sold for an average of \$1,169 per square foot in the third quarter, a 5% gain from the third quarter of 2010. Lofts posted a 12% increase in their average price per square foot over the past year, rising from \$1,077 to \$1,204.

Time on the Market



Excludes new developments and units listed over one year.

Asking Vs. Selling Price



Based on the last asking price. Excludes new developments.

Co-ops and condos sold during the third quarter spent an average of 111 days on the market, down from the previous quarter, but 14% longer than a year ago. Seller's received 95.8% of their final asking price, virtually unchanged from the third quarter of 2010.

EAST SIDE

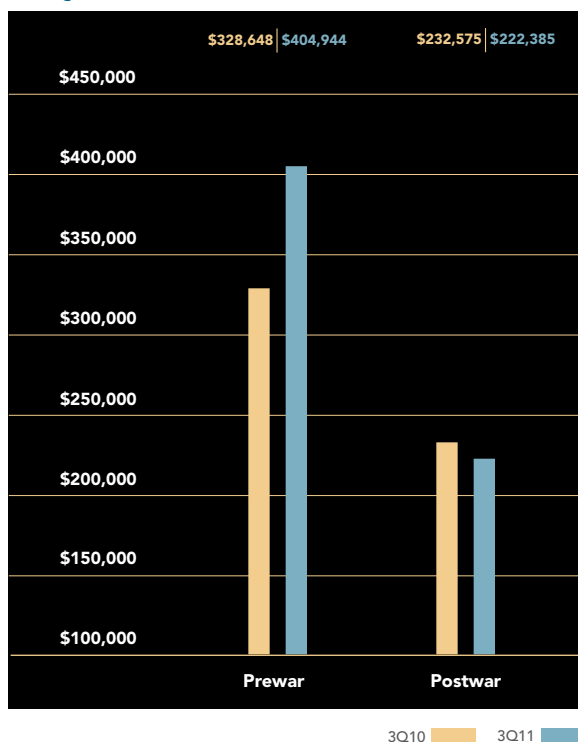
Generally 59th to 96th Street, Fifth Avenue to the East River

East Side pricing gains over the past year were led by three-bedroom and larger apartments, whose average price rose 29% to \$4,541,417. This figure was helped by 5 sales for over \$20 million, compared to just 1 a year ago. Prices also rose for one- and two-bedroom units, while falling for studios. The increased high-end activity in this area was concentrated in the prewar co-op market, whose average price per room rose 23% compared to 2010's comparable period.

		Studio	1-Bedroom	2-Bedroom	3+Bedroom
Percent of Sales	3rd Q 10	7%	31%	37%	25%
	3rd Q 11	11%	32%	34%	23%
Average Price	3rd Q 10	\$375,666	\$658,875	\$1,449,023	\$3,514,627
	3rd Q 11	\$336,900	\$685,965	\$1,528,545	\$4,541,417
	% Change	-10%	4%	5%	29%

Cooperative

Average Price Per Room



Condominium

Average Price Per Square Foot



WEST SIDE

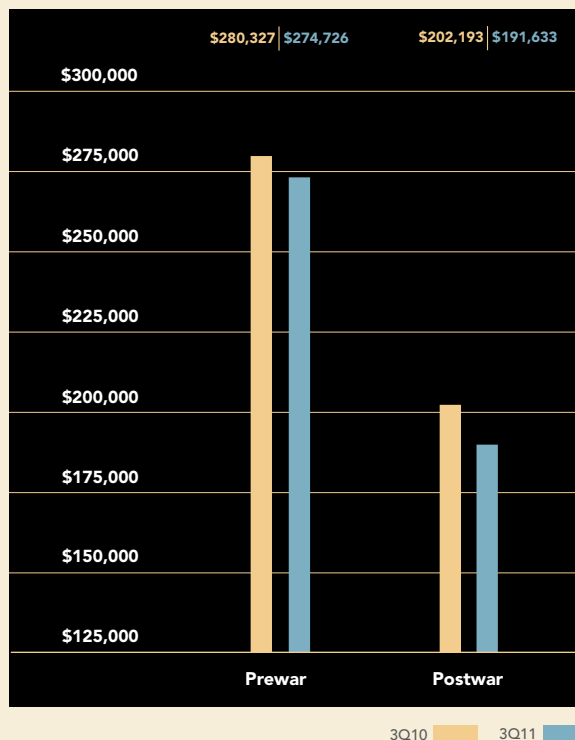
Generally 59th to 110th Street, Hudson River to West of Fifth Avenue

A number of closings at The Laureate, a new development condominium, helped bring the average price for three-bedroom and larger condos on the West Side 13% higher over the past year. These closings also helped to bring the average condo price per square foot up 11% from 2010's third quarter, to \$1,390. Co-op prices on the West Side fell over the past year, with the average price per room down 2% for prewar and 5% for postwar co-ops.

		Studio	1-Bedroom	2-Bedroom	3+Bedroom
Percent of Sales	3rd Q 10	9%	30%	36%	25%
	3rd Q 11	10%	33%	31%	26%
Average Price	3rd Q 10	\$399,072	\$697,290	\$1,523,268	\$3,353,242
	3rd Q 11	\$392,817	\$703,883	\$1,500,744	\$3,783,108
	% Change	-2%	1%	-1%	13%

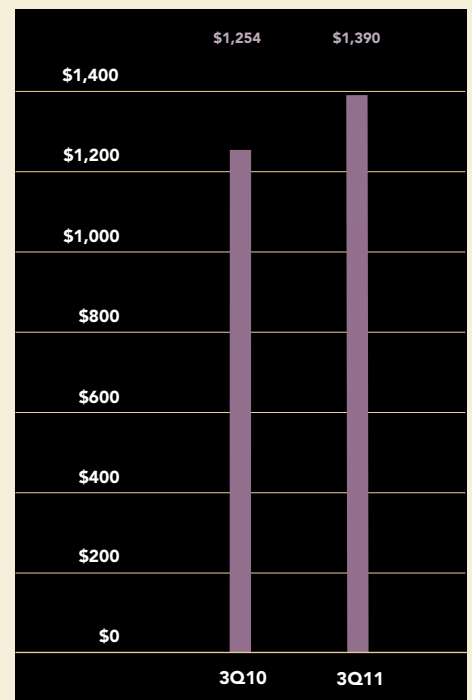
Cooperative

Average Price Per Room



Condominium

Average Price Per Square Foot

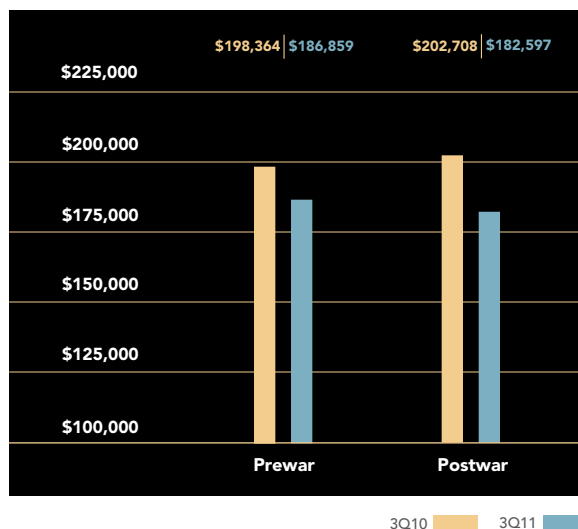


MIDTOWN

MIDTOWN EAST *Generally 34th to 59th Street, Fifth Avenue to the East River*

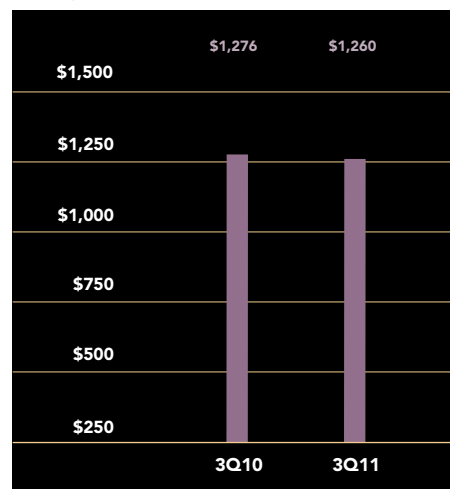
Cooperative

Average Price Per Room



Condominium

Average Price Per Square Foot

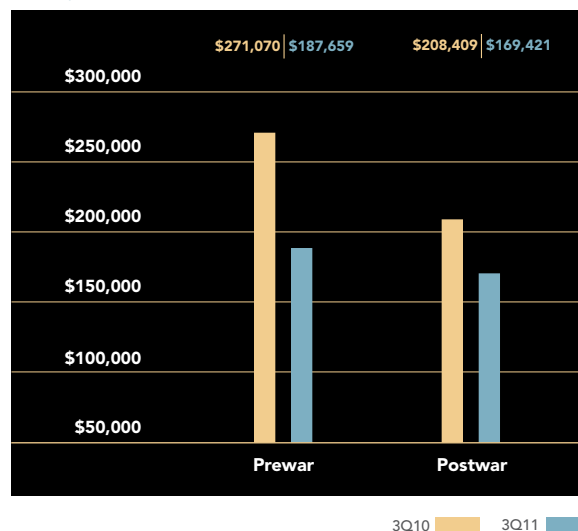


The average price per room fell last year for both prewar and postwar co-ops in the Midtown East market. Condo prices were slightly lower, as their average price per square foot fell 1% to \$1,260.

MIDTOWN WEST *Generally 34th to 59th Street, Hudson River to West of Fifth Avenue*

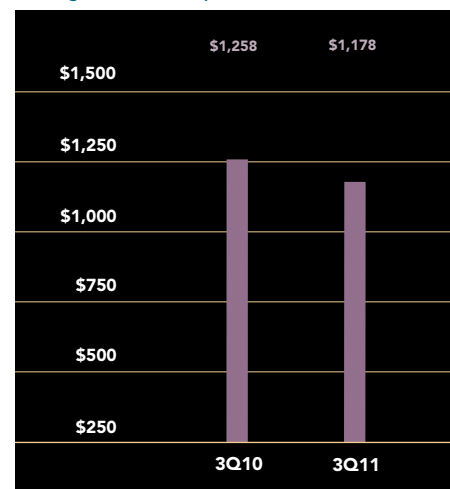
Cooperative

Average Price Per Room



Condominium

Average Price Per Square Foot



Although sharp declines were seen in the average price per room for prewar co-ops in the Midtown West market, this is a relatively small market and can see large fluctuations in data from quarter-to-quarter. The average condo price fell 6% over the past year to \$1,178 per square foot.

DOWNTOWN

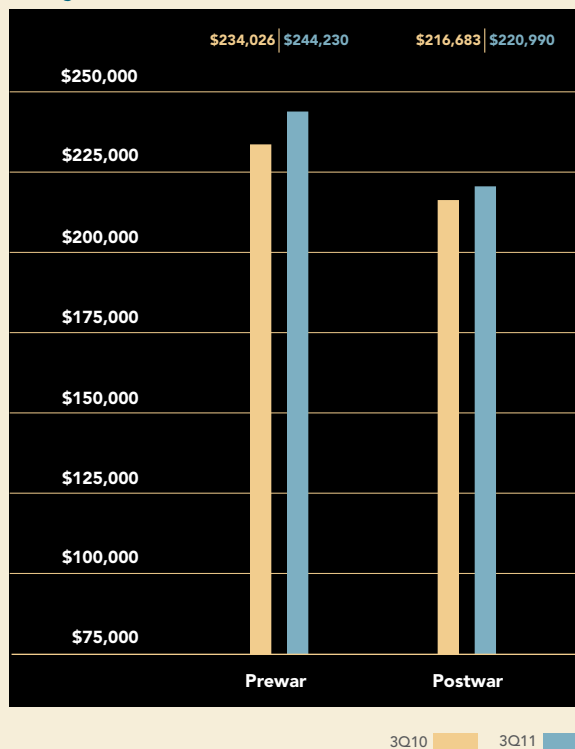
South of 34th Street

Downtown prices were mixed over the past year, with the average price up for studios and two-bedrooms but lower for one-bedroom and three-bedroom and larger apartments. The average co-op price per room rose 4% for prewar and 2% for postwar units. Condo prices averaged \$1,192 per square foot, 1% lower than a year ago.

		Studio	1-Bedroom	2-Bedroom	3+Bedroom
Percent of Sales	3rd Q 10	15%	45%	29%	11%
	3rd Q 11	15%	45%	28%	12%
Average Price	3rd Q 10	\$461,763	\$755,436	\$1,523,264	\$3,776,778
	3rd Q 11	\$468,337	\$738,586	\$1,562,515	\$3,047,527
	% Change	1%	-2%	3%	-19%

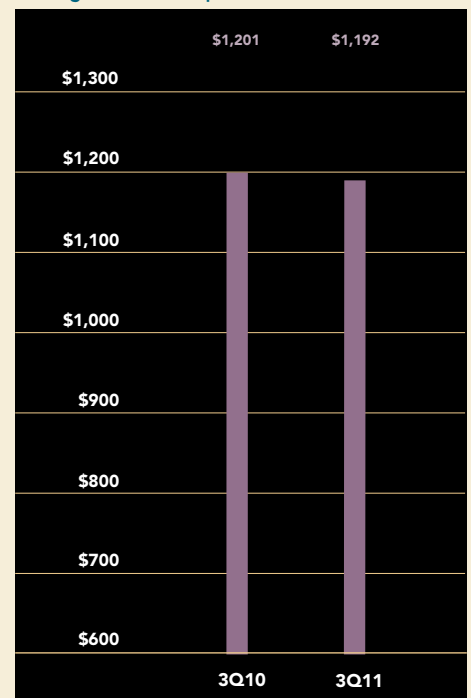
Cooperative

Average Price Per Room



Condominium

Average Price Per Square Foot



NORTHERN MANHATTAN

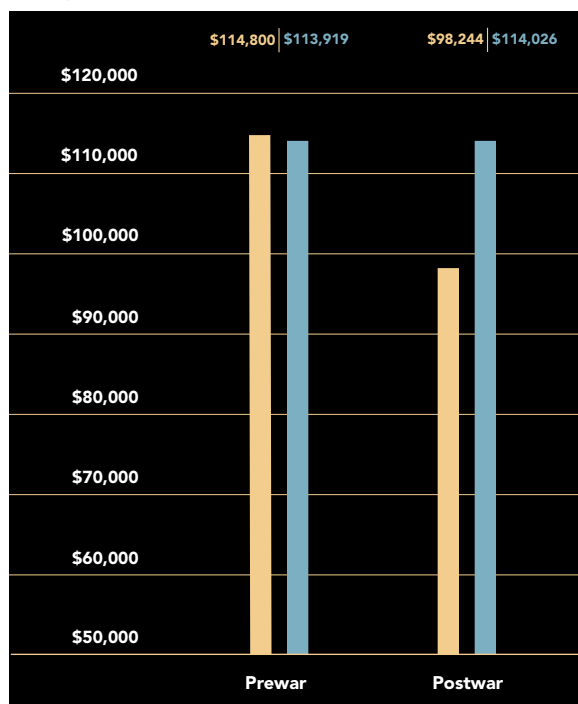
Generally North of 96th Street on the East Side, and 110th Street on the West Side

While the average price rose 11% over the past year for three-bedroom and larger units in Northern Manhattan, this was the only size category to see an increase in its average price. Co-op prices were mixed, as the average price per room fell slightly for prewar but rose for postwar apartments. At \$575, the average condo price per square foot in Northern Manhattan was 7% lower than a year ago.

		Studio	1-Bedroom	2-Bedroom	3+Bedroom
Percent of Sales	3rd Q 10	9%	32%	46%	13%
	3rd Q 11	8%	33%	43%	16%
Average Price	3rd Q 10	\$285,719	\$379,154	\$621,104	\$879,888
	3rd Q 11	\$259,098	\$370,032	\$572,936	\$974,909
	% Change	-9%	-2%	-8%	11%

Cooperative

Average Price Per Room



3Q10 3Q11

Condominium

Average Price Per Square Foot



This report is based on 2,492 reported Manhattan apartment sales, 1% more than were reported during last year's comparable period.

Prepared by Gregory Heym, Chief Economist, Brown Harris Stevens.



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EAST SIDE
445 Park Avenue
Hall F. Willkie, President
Ruth McCoy, EVP
Managing Director of Sales

EDWARD LEE CAVE DIVISION
790 Madison Avenue
Caroline E. Y. Guthrie
President

VILLAGE
2 Fifth Avenue
Stephen Klym, EVP
Managing Director of Sales

BROOKLYN HEIGHTS
129 Montague Street
Christopher Thomas, EVP
Managing Director of Sales

UPPER EAST SIDE
1121 Madison Avenue
Peter R. Marra, EVP
Managing Director of Sales

WEST SIDE
1926 Broadway
Kevin Kovesci, EVP
Managing Director of Sales

TRIBECA
43 North Moore
Stephen Klym, EVP
Managing Director of Sales

PARK SLOPE
100 Seventh Avenue
MaryAnn Albano, EVP
Managing Director of Sales

Exhibit D-3 (Halstead Property - Condo Sale Comparables)

HALSTEAD PROPERTY

Recently Sold

Address	Unit	Type	Doorman	Price	Com Charges	Date Sold	Sq Ft	Rooms	Bedrooms	Bath	Price psf
100 West 39th Street	36B	CONDO	Y	\$600,000		6/27/2011	501	3	1	1	\$1,198
100 West 39th Street	38G	CONDO	Y	\$610,000	\$800	8/16/2011	560	3	1	1	\$1,089
100 West 39th Street	40E	CONDO	Y	\$857,000	\$1,002	4/26/2011	701	3	1	1	\$1,223
100 West 39th Street	41J	CONDO	Y	\$515,000	\$692	3/15/2011	542	3	1	1	\$950
100 West 39th Street	42C	CONDO	Y	\$699,000	\$719	10/7/2011	501	3	1	1	\$1,395
101 West 24th Street	10H	CONDO	Y	\$1,090,000	\$692	9/19/2011	834	3	1	1	\$1,307
101 West 24th Street	11H	CONDO	Y	\$683,000		7/25/2011	834	3	1	1	\$819
101 West 24th Street	16C	CONDO	Y	\$1,110,000	\$651	9/27/2011	793	3	1	1.5	\$1,400
101 West 24th Street	19C	CONDO	Y	\$1,180,000		1/27/2011	793	3	1	1.5	\$1,488
101 West 24th Street	4C	CONDO	Y	\$1,125,000	\$682	8/11/2011	874	3	1	1.5	\$1,287
101 West 24th Street	4H	CONDO	Y	\$1,125,000	\$650	5/25/2011	836	4	1	1.5	\$1,346
101 West 24th Street	6H	CONDO	Y	\$1,050,000	\$682	7/15/2011	841	4	1	1	\$1,249
121 East 23rd Street	2A	CONDO	Y	\$520,789		4/22/2011	692	3	1	1	\$753
121 East 23rd Street	4A	CONDO	Y	\$695,000	\$795	10/12/2011	655	3	1	1	\$1,061
121 East 23rd Street	4E	CONDO	Y	\$700,000	\$797	6/2/2011	657	3	1	1	\$1,065
127 East 30th Street	8C	CONDO	Y	\$660,000	\$476	9/14/2011	614	3	1	1	\$1,075
15 East 26th Street	12C	CONDO	Y	\$1,501,000	\$1,282	4/6/2011	1,180	4	1	2	\$1,272
225 Fifth Avenue	11C	CONDO	Y	\$1,750,000		4/15/2011	1,218	4	1	2	\$1,437
325 Fifth Avenue	11D	CONDO	Y	\$1,050,000	\$774	7/27/2011	899	3.5	1	1.5	\$1,168
325 Fifth Avenue	19G	CONDO	Y	\$929,000	\$765	7/18/2011	816	3.5	1	1	\$1,138
325 Fifth Avenue	24D	CONDO	Y	\$1,080,000	\$921	6/16/2011	899	3.5	1	1.5	\$1,201
325 Fifth Avenue	9G	CONDO	Y	\$850,000	\$680	8/26/2011	816	3	1	1	\$1,042
39 East 29th Street	13C	CONDO	Y	\$1,050,000	\$711	6/3/2011	785	3	1	1	\$1,338
39 East 29th Street	21B	CONDO	Y	\$1,215,000	\$819	9/15/2011	855	3	1	1	\$1,421
39 East 29th Street	22B	CONDO	Y	\$1,230,000	\$830	8/26/2011	855	3	1	1	\$1,439

HALSTEAD PROPERTY

Recently Sold

Address	Unit	Type	Doorman	Price	Com Charges	Date Sold	Sq Ft	Rooms	Bedrooms	Bath	Price psf
39 East 29th Street	22D	CONDO	Y	\$1,200,000	\$812	7/22/2011	826	3.5	1	1	\$1,453
39 East 29th Street	25B	CONDO	Y	\$1,237,000	\$861	2/15/2011	855	3	1	1	\$1,447
39 East 29th Street	26B	CONDO	Y	\$1,300,000	\$872	4/21/2011	855	3.5	1	1	\$1,520
39 East 29th Street	27B	CONDO	Y	\$1,355,000	\$883	6/30/2011	855	3	1	1	\$1,585
39 East 29th Street	30B	CONDO	Y	\$1,250,000	\$914	9/29/2011	855	3	1	1	\$1,462
39 East 29th Street	7D	CONDO	Y	\$840,000	\$637	3/29/2011	792	3	1	1	\$1,061
39 East 29th Street	8C	CONDO	Y	\$947,500	\$647	5/23/2011	785	3	1	1	\$1,207
400 Fifth Avenue	31A	CONDO	Y	\$1,200,000	\$1,027	6/8/2011	776	3	1	1.5	\$1,546
400 Fifth Avenue	31G	CONDO	Y	\$990,000	\$1,031	5/18/2011	779	3	1	1.5	\$1,271
400 Fifth Avenue	32A	CONDO	Y	\$1,295,000		4/27/2011	776	3	1	1.5	\$1,669
400 Fifth Avenue	32B	CONDO	Y	\$1,175,000	\$1,068	10/13/2011	806	4	1	1.5	\$1,458
400 Fifth Avenue	32G	CONDO	Y	\$1,060,000	\$1,032	8/23/2011	779	3	1	1.5	\$1,361
400 Fifth Avenue	32H	CONDO	Y	\$1,150,000	\$1,028	5/3/2011	776	3	1	1.5	\$1,482
400 Fifth Avenue	35H	CONDO	Y	\$1,170,000		8/5/2011	776	4	1	1.5	\$1,508
400 Fifth Avenue	36A	CONDO	Y	\$1,370,000		10/18/2011	776	3	1	1.5	\$1,765
400 Fifth Avenue	36H	CONDO	Y	\$1,250,000	\$1,030	9/26/2011	776	4	1	1.5	\$1,611
400 Fifth Avenue	38B	CONDO	Y	\$1,225,000	\$1,071	10/6/2011	806	4	1	1.5	\$1,520
400 Fifth Avenue	38H	CONDO	Y	\$1,290,000	\$1,031	10/19/2011	776	4	1	1.5	\$1,662
400 Fifth Avenue	40A	CONDO	Y	\$1,355,000	\$1,032	7/25/2011	776	3	1	1.5	\$1,746
400 Fifth Avenue	40B	CONDO	Y	\$1,210,000	\$1,072	7/25/2011	806	4	1	1.5	\$1,501
400 Fifth Avenue	40H	CONDO	Y	\$1,350,000	\$1,032	9/23/2011	776	4	1	1.5	\$1,740
400 Fifth Avenue	41A	CONDO	Y	\$1,250,000		5/18/2011	776	3	1	1.5	\$1,611
400 Fifth Avenue	41D	CONDO	Y	\$1,100,000	\$941	8/9/2011	707	3	1	1.5	\$1,556
400 Fifth Avenue	42B	CONDO	Y	\$1,300,000	\$1,068	5/9/2011	802	3	1	1.5	\$1,621
400 Fifth Avenue	42D	CONDO	Y	\$1,120,000	\$941	8/24/2011	707	3	1	1.5	\$1,584

HALSTEAD PROPERTY

Recently Sold

Address	Unit	Type	Doorman	Price	Com Charges	Date Sold	Sq Ft	Rooms	Bedrooms	Bath	Price psf
400 Fifth Avenue	43C	CONDO	Y	\$1,978,080		6/30/2011	755	3	1	1.5	\$2,620
400 Fifth Avenue	45D	CONDO	Y	\$1,339,325		4/5/2011	707	3	1	1.5	\$1,894
400 Fifth Avenue	45F	CONDO	Y	\$1,550,000	\$1,039	6/9/2011	982	3	1	1.5	\$1,578
400 Fifth Avenue	48A	CONDO	Y	\$1,400,000	\$1,036	7/25/2011	776	3	1	1.5	\$1,804
425 Fifth Avenue	26D	CONDO	Y	\$860,000	\$854	5/27/2011	777	3	1	1	\$1,107
425 Fifth Avenue	26F	CONDO	Y	\$900,000	\$1,073	2/16/2011	846	3	1	1	\$1,064
425 Fifth Avenue	41B	CONDO	Y	\$1,240,000	\$1,179	1/20/2011	1,109	3	1	1.5	\$1,118
425 Fifth Avenue	43D	CONDO	Y	\$1,175,000		7/11/2011	987	3.5	1	1.5	\$1,190
425 Fifth Avenue	44D	CONDO	Y	\$1,155,000	\$1,078	7/27/2011	980	3	1	1.5	\$1,179
445 Fifth Avenue	10D	CONDO	Y	\$615,000	\$637	3/29/2011	671	3	1	1	\$917
445 Fifth Avenue	19A	CONDO	Y	\$772,000	\$696	2/1/2011	701	3	1	1	\$1,101
445 Fifth Avenue	21G	CONDO	Y	\$685,000	\$585	3/1/2011	606	3	1	1	\$1,130
445 Fifth Avenue	22F	CONDO	Y	\$690,000	\$723	9/1/2011	639	3	1	1	\$1,080
45 Park Avenue	1404	CONDO	Y	\$1,290,000	\$1,146	8/4/2011	913	3	1	1.5	\$1,413
45 Park Avenue	604	CONDO	Y	\$995,000	\$1,118	4/20/2011	906	3	1	1.5	\$1,098

Summary for 1 Bedrooms (65 sales) **Avg Sales Price \$1,084,749** **Avg Common Charges \$880** **Avg Price psf \$1,360**

Address	Unit	Type	Doorman	Price	Com Charges	Date Sold	Sq Ft	Rooms	Bedrooms	Bath	Price psf
101 West 24th Street	10A	CONDO	Y	\$1,585,000	\$940	10/25/2011	1,127	4	2	2	\$1,406
101 West 24th Street	11B	CONDO	Y	\$1,700,000	\$1,011	5/26/2011	1,242	4	2	2	\$1,369
101 West 24th Street	12E	CONDO	Y	\$1,750,000	\$939	10/24/2011	1,113	4	2	2	\$1,572
101 West 24th Street	16B	CONDO	Y	\$1,750,000	\$1,027	3/30/2011	1,242	4	2	2	\$1,409
101 West 24th Street	17E	CONDO	Y	\$1,567,500	\$927	2/8/2011	1,113	5	2	2	\$1,408
101 West 24th Street	24E	CONDO	Y	\$1,780,000	\$985	8/25/2011	1,113	4	2	2	\$1,599
101 West 24th Street	30A	CONDO	Y	\$1,800,000	\$989	3/29/2011	1,127	4	2	2	\$1,597

HALSTEAD PROPERTY

Recently Sold

Address	Unit	Type	Doorman	Price	Com Charges	Date Sold	Sq Ft	Rooms	Bedrooms	Bath	Price psf
101 West 24th Street	31A	CONDO	Y	\$1,800,000	\$993	1/7/2011	1,127	4	2	2	\$1,597
101 West 24th Street	33C	CONDO	Y	\$3,201,050	\$1,492	7/20/2011	1,673	5	2	2.5	\$1,913
101 West 24th Street	34A	CONDO	Y	\$2,495,000		5/23/2011	1,555	4	2	2.5	\$1,605
101 West 24th Street	34B	CONDO	Y	\$3,000,000	\$1,383	5/20/2011	1,584	5	2	2.5	\$1,894
101 West 24th Street	37A	CONDO	Y	\$2,625,000	\$1,386	4/5/2011	1,555	5	2	2.5	\$1,688
11 East 29th Street	10C	CONDO	Y	\$1,550,000	\$1,073	3/11/2011	1,374	4	2	2	\$1,128
11 East 29th Street	22C	CONDO	Y	\$1,693,000	\$1,126	3/15/2011	1,374	4	2	2	\$1,232
11 East 29th Street	25A	CONDO	Y	\$1,850,000	\$1,477	11/3/2011	1,601	5	2	2.5	\$1,156
11 East 29th Street	40B	CONDO	Y	\$1,520,000	\$1,178	9/30/2011	1,150	4	2	2	\$1,322
11 East 29th Street	44B	CONDO	Y	\$1,625,000	\$1,213	5/20/2011	1,150	4	2	2	\$1,413
11 East 29th Street	45B	CONDO	Y	\$1,691,000	\$1,213	7/12/2011	1,150	4	2	2	\$1,470
111 West 28th Street	6B	CONDO	N	\$1,325,000	\$479	5/23/2011	1,109	5	2	2	\$1,195
120 East 29th Street	1D/2D	CONDO	Y	\$1,475,000	\$1,167	4/21/2011	1,613	4	2	2.5	\$914
121 East 23rd Street	16A	CONDO	Y	\$1,300,000	\$1,144	2/2/2011	981	4	2	2	\$1,325
127 East 30th Street	15A	CONDO	Y	\$1,100,000	\$781	3/15/2011	953	4.5	2	2	\$1,154
127 East 30th Street	1A	CONDO	Y	\$999,000		2/15/2011	891	4	2	2	\$1,121
15 East 69th Street	11B	CONDO	Y	\$3,400,000		9/9/2011	1,584	6	2	2.5	\$2,146
225 Fifth Avenue	10M	CONDO	Y	\$3,250,000	\$1,754	8/11/2011	1,388	7	2	2.5	\$2,341
225 Fifth Avenue	6E	CONDO	Y	\$2,400,000	\$1,439	4/13/2011	1,650	8	2	3	\$1,455
225 Fifth Avenue	8B	CONDO	Y	\$1,725,000	\$906	3/10/2011	1,229	4	2	2	\$1,404
225 Fifth Avenue	8S	CONDO	Y	\$1,760,000	\$948	6/3/2011	1,223	5	2	2	\$1,439
225 Fifth Avenue	PHA	CONDO	Y	\$2,000,000	\$1,463	5/2/2011	1,518	5	2	3	\$1,318
225 Fifth Avenue	PHX	CONDO	Y	\$2,280,000	\$1,153	6/10/2011	1,416	5.5	2	2.5	\$1,610
325 Fifth Avenue	19C	CONDO	Y	\$1,502,600	\$1,153	3/2/2011	1,282	5	2	2	\$1,172
325 Fifth Avenue	30F	CONDO	Y	\$1,600,000	\$1,205	5/13/2011	1,221	4	2	2	\$1,310

HALSTEAD PROPERTY

Recently Sold

Address	Unit	Type	Doorman	Price	Com Charges	Date Sold	Sq Ft	Rooms	Bedrooms	Bath	Price psf
39 East 29th Street	15A	CONDO	Y	\$1,525,000	\$1,065	3/31/2011	1,159	4	2	2	\$1,316
39 East 29th Street	24C	CONDO	Y	\$2,017,500	\$1,390	6/15/2011	1,303	4	2	2.5	\$1,548
39 East 29th Street	28C	CONDO	Y	\$2,190,000	\$1,530	10/12/2011	1,303	4.5	2	2	\$1,681
39 East 29th Street	30C	CONDO	Y	\$2,250,000	\$1,600	3/24/2011	1,303	5.5	2	2.5	\$1,727
400 Fifth Avenue	45E	CONDO	Y	\$2,700,000	\$1,917	8/5/2011	1,438	5	2	2.5	\$1,878
400 Fifth Avenue	45GH	CONDO	Y	\$3,189,654		4/5/2011	1,555	6	2	3	\$2,051
400 Fifth Avenue	48C	CONDO	Y	\$2,036,500	\$1,560	9/27/2011	1,168	5	2	2.5	\$1,744
400 Fifth Avenue	49A	CONDO	Y	\$3,300,000		2/4/2011	1,637	4	2	2.5	\$2,016
425 Fifth Avenue	34D	CONDO	Y	\$1,525,000	\$1,200	2/4/2011	1,129	4	2	2	\$1,351
425 Fifth Avenue	58A	CONDO	Y	\$1,950,000	\$1,323	6/22/2011	1,203	4	2	2	\$1,621
425 Fifth Avenue	59B	CONDO	Y	\$2,200,000		9/16/2011	1,315	4	2	2	\$1,673
45 Park Avenue	305	CONDO	Y	\$1,500,000		1/25/2011	1,245	4	2	1.5	\$1,205
45 Park Avenue	701	CONDO	Y	\$2,050,000	\$1,850	1/20/2011	1,494	5	2	2.5	\$1,372
45 Park Avenue	PH01	CONDO	Y	\$2,825,000		10/3/2011	1,519	5	2	2.5	\$1,860

Summary for 2 Bedrooms (46 sales) **Avg Sales Price \$2,007,778** **Avg Common Charges \$1,221** **Avg Price psf \$1,516**

Address	Unit	Type	Doorman	Price	Com Charges	Date Sold	Sq Ft	Rooms	Bedrooms	Bath	Price psf
101 West 24th Street	PH2B	CONDO	Y	\$4,140,000	\$1,677	8/12/2011	1,918	5	3	2.5	\$2,158
101 West 24th Street	PH3C	CONDO	Y	\$5,975,000	\$2,039	8/29/2011	2,263	6	3	2.5	\$2,640
110 West 25th Street	11FL	CONDO	N	\$3,010,000	\$1,469	5/16/2011	2,382	5	3	3	\$1,264
110 West 25th Street	4FL	CONDO	N	\$2,400,000	\$1,470	3/7/2011	2,382	6	3	3	\$1,008
120 East 29th Street	3D	CONDO	Y	\$2,375,000	\$1,447	9/15/2011	1,902	5	3	2	\$1,249
121 East 23rd Street	11C	CONDO	Y	\$1,650,000	\$1,903	4/27/2011	1,556	5	3	3	\$1,060
121 East 23rd Street	19A	CONDO	Y	\$2,325,000	\$2,300	6/27/2011	1,743	7	3	2.5	\$1,334
122 East 25th Street	3FL	CONDO	N	\$3,075,000	\$1,300	1/11/2011	3,002	7	3	3	\$1,024

HALSTEAD PROPERTY

Recently Sold

Address	Unit	Type	Doorman	Price	Com Charges	Date Sold	Sq Ft	Rooms	Bedrooms	Bath	Price psf
15 East 26th Street	12B	CONDO	Y	\$5,575,000	\$3,162	9/1/2011	3,236	6	3	3.5	\$1,723
325 Fifth Avenue	40A	CONDO	Y	\$2,200,000	\$1,504	5/12/2011	1,489	5	3	3	\$1,478
400 Fifth Avenue	43E	CONDO	Y	\$3,604,990		6/30/2011	1,866	6	3	3	\$1,932
50 Madison Avenue	3FL	CONDO	Y	\$4,400,000	\$3,000	2/3/2011	2,646	6	3	3.5	\$1,663
Summary for 3 Bedrooms (12 sales)				Avg Sales Price	\$3,394,166	Avg Common Charges	\$1,934	Avg Price psf	\$1,544		

Total Records	123
Total Sales Price	\$203,596,488
Average Sales Price	\$1,655,256
Average Common Charges	\$1,120
Average Price Per Square Foot	\$1,436