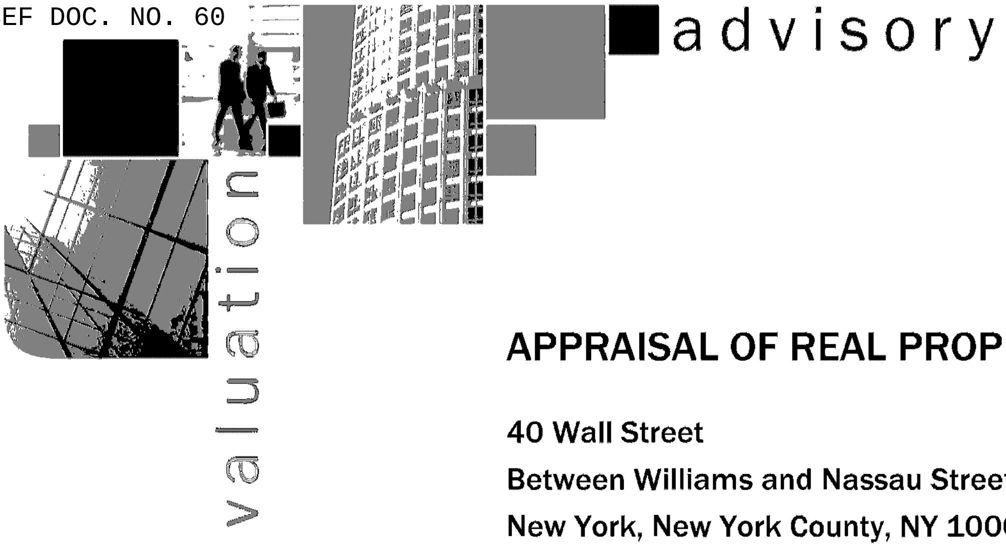
Faherty Affirmation

Exhibit # 21



APPRAISAL OF REAL PROPERTY

40 Wall Street
Between Williams and Nassau Streets
New York, New York County, NY 10006

IN AN APPRAISAL REPORT
As of June 1, 2015

Prepared For:
Ladder Capital Finance LLC
345 Park Avenue, 8th Floor
New York, New York 10154

Prepared By:
Cushman & Wakefield, Inc.
Valuation & Advisory
1290 Avenue of the Americas
New York, NY 10104
C&W File ID: 15-12002-901518
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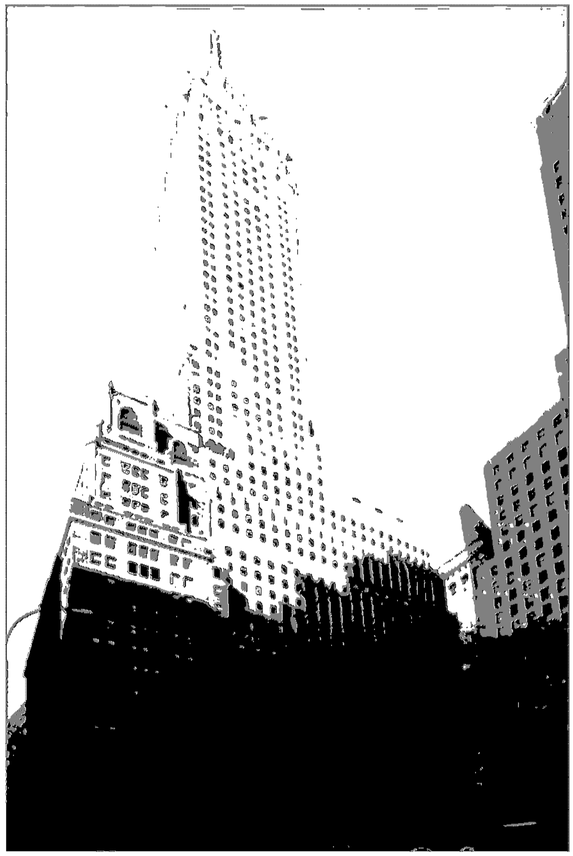
NEW YORK, NY 10104



40 Wall Street

Between Williams and Nassau Streets
New York, New York County, NY 10006

CUSHMAN & WAKEFIELD
VALUATION & ADVISORY

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1290 AVENUE OF THE AMERICAS
NEW YORK, NY 10104

June 25, 2015

Mr. Michael Scarola
Ladder Capital Finance LLC
345 Park Avenue, 8th Floor
New York, New York 10154

Re: Appraisal of Real Property
In an Appraisal Report

40 Wall Street
Between Williams and Nassau Streets
New York, New York County, NY 10006

C&W File ID: 15-12002-901518

Dear Mr. Scarola:

In fulfillment of our agreement as outlined in the Letter of Engagement, we are pleased to transmit our appraisal of the above property in an appraisal report dated June 25, 2015. The effective date of value is June 1, 2015.

This report was prepared for Ladder Capital Finance LLC, and is intended only for their specified use. It may be distributed to the client's attorney's accountants, advisors and investors. It may not be distributed to or relied upon by any other persons or entities without the written permission of Cushman & Wakefield, Inc.

This appraisal report has been prepared in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP) as set forth by the Appraisal Foundation and in accordance with the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute. In addition, the appraisal was written in conformance with the Office of the Comptroller of the Currency (OCC), the Board of Governors of the Federal Reserve System (FRS) and the Federal Deposit Insurance Corporation (FDIC) in compliance with Title XI of FIRREA.

Based on the agreed-to Scope of Work, and as outlined in the report, we developed the following opinion of market value:

Value Conclusions

Appraisal Premise	Real Property Interest	Date Of Value	Value Conclusion
Market Value As-Is	Leasehold Estate	6/1/2015	$540,000,000
Hypothetical Value - Go Dark	Leasehold Estate	6/1/2015	$440,000,000

Compiled by Cushman & Wakefield, Inc.

The value opinion in this report is qualified by certain assumptions, limiting conditions, certifications, and definitions. We particularly call your attention to the extraordinary assumptions and hypothetical conditions listed below.

EXTRAORDINARY ASSUMPTIONS

This appraisal does not employ any extraordinary assumptions. For a definition of Extraordinary Assumptions please see the Glossary of Terms & Definitions.

HYPOTHETICAL CONDITIONS

This appraisal does not employ any hypothetical conditions. For a definition of Hypothetical Conditions please see the Glossary of Terms & Definitions.

This letter is invalid as an opinion of value if detached from the report, which contains the text, exhibits, and Addenda.

Respectfully submitted,

CUSHMAN & WAKEFIELD, INC.

Douglas H. Larson
Executive Director
New York Certified General Appraiser
License No. 46000039300
douglas.larson@cushwake.com
(212) 841-5051 Office Direct
(212) 479-1838 Fax

Naoum M. Papagianopoulos, MAI
Senior Director
New York Certified General Appraiser
License No. 46000048506
michael.papagianopoulos@cushwake.com
(212) 841-7694 Office Direct
(212) 479-1887 Fax

Robert S. Nardella, MAI, MRICS
Executive Managing Director - Area Leader
New York Certified General Appraiser
License No. 46000004620
robert.nardella@cushwake.com
(212) 841-5048 Office Direct
(212) 479-1878 Fax

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

GENERAL INFORMATION

Common Property Name:	40 Wall Street
Location:	Between Williams and Nassau Streets New York, New York County, NY 10006 The subject property is located on the north side of Wall Street throughblock to Pine Street between Nassau and William Streets in the Financial East office submarket of Downtown Manhattan.
Property Description:	40 Wall Street is a pre-war 63-story Class A multi-tenant office property built in 1929 (renovated in 1995) containing 1,165,207 square feet of net rentable area (1,061,266 square feet of gross building area) on a 34,360 square foot parcel of land.
Assessor's Parcel Number:	Lot 2 in Block 43
Interest Appraised:	Leasehold Estate
Dates of Value:	June 1, 2015 “As Is”
Date of Inspection:	June 16, 2015
Ownership:	*Ground Lessor* Nautilus Real Estate Inc. and Scandic Wall Limited Partnership *Ground Lessee* 40 Wall Street LLC c/o The Trump Organization
Occupancy:	The property is currently 95.02 percent leased to 72 office tenants and three retail tenants. There are 8 vacant office spaces within the property totaling 55,695 square feet. In addition, there are two vacant retail spaces on the grade totaling 2,291 square feet available for lease.
Current Property Taxes	
2015/2016 Property Assessment:	$65,315,700
2015/2016 Property Taxes:	$7,048,113
Highest and Best Use	
If Vacant:	Multi-tenant office building development.
As Improved:	As it is currently developed.

SITE & IMPROVEMENTS

Zoning:	C5-5 Restricted Central Commercial District
Land Area:	34,360 square feet
Number of Stories:	63
Year Built:	1929
Type of Construction:	Structural steel and concrete with aluminum and glass curtain wall facade.
Gross Building Area:	1,061,266 square feet (Per Assessor)
Net Rentable Area:	1,165,207 square feet (Remeasured)

VALUE INDICATORS

SALES COMPARISON APPROACH:

Indicated Value "As Is":	$540,000,000
Per Square Foot (NRA):	$463.44

INCOME CAPITALIZATION APPROACH

DISCOUNTED CASH FLOW

Projection Period:	20 years	
Holding Period:	19 years	
Start Dates:	June 1, 2015	
Classification – Office Leases		
Major Office Tenants:	Greater than 10,000 square feet	
Minor Office Tenants:	Less than 10,000 square feet	
Market Rental Rate-Office (Year 1):	Floors	Rent
	Floors 2-18	$45.00/sf
	Floors 19-25	$47.00/sf
	Floors 26-34	$50.00/sf
	Floors 35-63	$52.00/sf
Market Rental Rate-Retail (Year 1):	Space	Rent
	Wall Street – Grade (Small)	$650.00
	Wall Street – Grade (Large)	$75.00/sf
	Pine Street - Grade	$75.00/sf
	Lobby	$250.00/sf
	Mezzanine	$50.00/sf
	Basement	$25.00/sf
Market Rental Rate-Storage (Year 1):	$25.00/sf	

Rent Increase Profile:	For 10 and 15-year leases, 60-month step-ups of 10% are assumed.
Growth in Market Rental Rate:	3.00%
Expense and Tax Pass Throughs:	Gross leases – tenant pays pro-rata share of real estate taxes, operating cost increases over a lease base year.
Expense Growth Rate:	3.00%
Consumer Price Index:	3.00%
Free Rent – New Leases	
Major Office Tenants:	12 months
Minor Office Tenants:	10 months
Retail Tenants:	6 months
Storage Tenants:	6 months
Free Rent – Renewing Leases	
Major Office Tenants:	6 months
Minor Office Tenants:	5 months
Retail Tenants:	3 months
Storage Tenants:	3 months
Typical Lease Term	
Major Office Tenants:	15 years
Minor Office Tenants:	10 years
Retail Tenants:	10 years
Storage Tenants:	10 years
Renewal Probability:	65.00%
Tenant Improvement – New Leases	
Major Office Tenants:	$50.00 per square foot
Minor Office Tenants:	$40.00 per square foot
Retail Tenants:	None
Storage Tenants:	None

Tenant Improvement – Renewing Leases	
Major Office Tenants:	$25.00 per square foot
Minor Office Tenants:	$20.00 per square foot
Retail Tenants:	None
Storage Tenants:	None
Leasing Commissions With Override	
10-Year Lease:	40.00% of first year's base rent including override (paid in year one per market standard)
15-Year Lease:	52.50% of first year's base rent including override (paid in year one per market standard)
	Leasing commissions vary depend upon the length of the lease: 5 percent for year 1; 4 percent for year 2; 3.5 percent for years 3 through 5; 2.5 percent for years 6 through 10; 2 percent for years 11 through 20. This schedule results in the above percentages of the first year's base rent (excluding an override).
Opinion of Vacancy Between Tenants:	8 months (Downtime between leases is prior to renewal probability of 65%; effective vacancy is 3 months.)
Vacancy and Credit Loss:	1.00% (average; applied to all tenants)
Terminal Capitalization Rate:	5.25% (applied to reversion year net operating income)
Transaction Costs in Reversion Sale:	4.00% (includes brokerage, legal fees and estimated transfer taxes)
Discount Rate:	6.50% (see Discount Rate Analysis)
Indicated Value "As Is":	$540,000,000
Implicit First year Capitalization Rate:	2.86%

DIRECT CAPITALIZATION

Net Operating Income (Plus Year 1 Free Rent):	$23,203,919
Capitalization Rate:	4.25%
Indicated Value:	$538,197,585
Less Year One Free Rent:	($7,776,980)
Indicated Value (Rounded):	$540,000,000

RECONCILED VALUE

Indicated Value "As Is":	$540,000,000
Per Square Foot (NRA):	$463.44

FINAL VALUE CONCLUSION

Market Value As-Is Leasehold Estate:	$540,000,000
Per Square Foot (NRA):	$463.44
Implied Capitalization Rate:	2.86%
Exposure Time:	6 months
Marketing Time:	6 months

EXTRAORDINARY ASSUMPTIONS

This appraisal does not employ any extraordinary assumptions. For a definition of Extraordinary Assumptions please see the Glossary of Terms & Definitions.

HYPOTHETICAL CONDITIONS

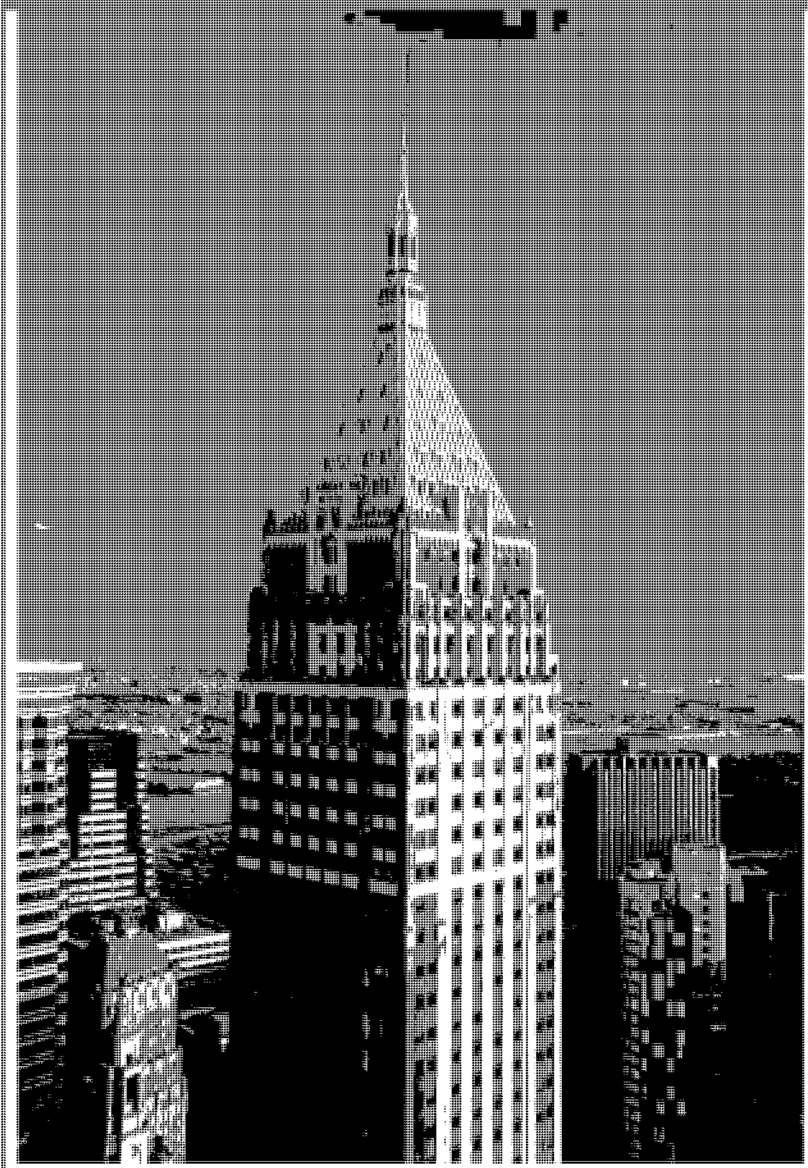
This appraisal does not employ any hypothetical conditions. For a definition of Hypothetical Conditions please see the Glossary of Terms & Definitions.

PROPERTY PHOTOGRAPHS

40 WALL STREET

VIEW OF 40 WALL STREET FROM STREET

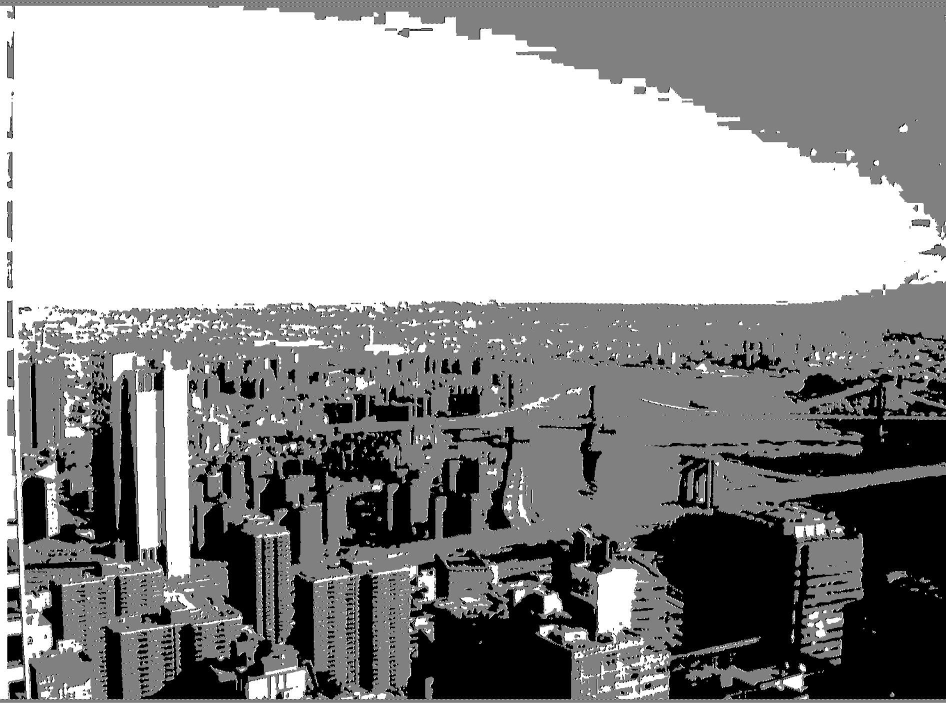
VIEW OF 40 WALL STREET SPIRE



VIEW TO THE SOUTHWEST FROM THE TOP FLOORS OF THE SUBJECT

VIEW TO THE WEST FROM THE TOP FLOORS OF THE SUBJECT

VIEW TO THE EAST FROM THE TOP OF THE SUBJECT



TYPICAL STREET VIEW

VIEW OF WALL STREET LOOKING WEST; THE SUBJECT IS ON THE RIGHT

VIEW OF WALL STREET LOOKING WEST; THE SUBJECT IS ON THE RIGHT

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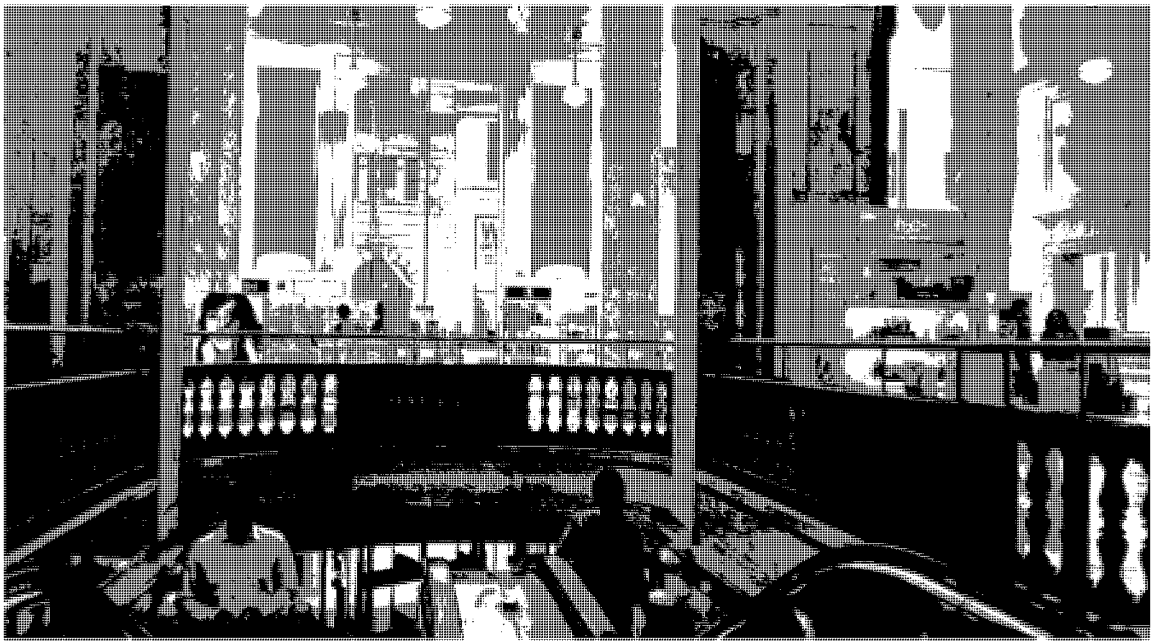
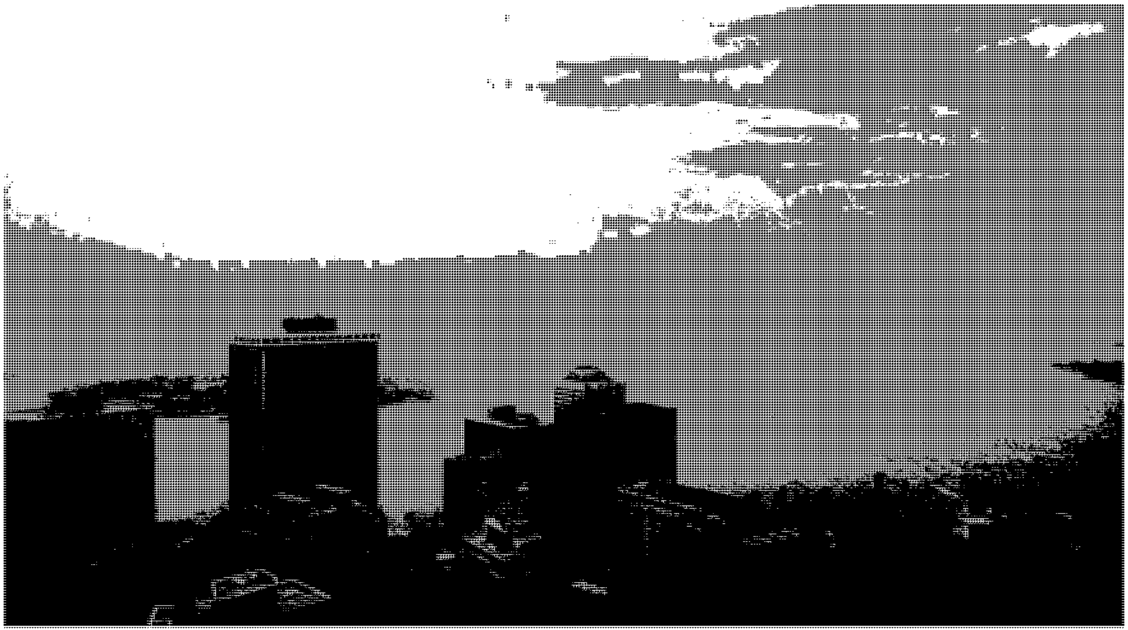
DUANE READE SPACE



UNDER CONSTRUCTION 60TH FLOOR OFFICE SPACE

VIEW SOUTH FROM THE 60TH FLOOR



DUANE READE ENTRANCE

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PINE STREET FACINGSOUTH;SUBJECT ON RIGHT

PINE STREET FACING NORTH;SUBJECT ON LEFT

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INTRODUCTION

SCOPE OF WORK

This report is intended to comply with the reporting requirements outlined under the USPAP for an appraisal report. In addition, the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA) specifies that a Federally-regulated financial institution must be the Client in the appraiser-client relationship under the terms of an assignment agreement. To the extent the Client is governed by FIRREA, this appraisal meets all applicable requirements.

In the process of preparing this appraisal, we:

- Inspected the exterior of the building and site improvements.
- Reviewed leasing policy, concessions, tenant build-out allowances, and history of recent rental rates and occupancy with several leasing and investment sales brokers and market research analysts including Franklin Speyer, Joshua Kuriloff, Tara Stacom, Robert Lowe, Peter Berti, Robert Thuss, Louis D'Avanzo, James Downey, Gene Spiegelman and Helen Hwang of Cushman & Wakefield, Inc.
- Reviewed a detailed history of income and expense and a budget forecast.
- Conducted market research of occupancies, asking rents, concessions and operating expenses at competing buildings, which involved interviews with on-site managers and a review of our own data base from previous appraisal files.
- Prepared an opinion of stabilized income and expense (for capitalization purposes).
- Conducted market inquiries into recent sales of similar buildings to ascertain sales price per square foot, effective gross income multipliers and capitalization rates. This process involved telephone interviews with sellers, buyers and/or participating brokers.
- This appraisal employs the Sales Comparison Approach and the Income Capitalization Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that the Sales Comparison Approach and the Income Capitalization Approach would be considered meaningful and applicable in developing a credible value conclusion. The subject's age makes it difficult to accurately form an opinion of depreciation and tends to make the Cost Approach unreliable. Investors do not typically rely on the Cost Approach when purchasing a property such as the subject of this report. Therefore, we have not utilized the Cost Approach to develop an opinion of market value.
- The data have been thoroughly analyzed and confirmed with sources believed to be reliable, leading to the value conclusions in this report. The valuation process used generally accepted market-derived methods and procedures appropriate to the assignment.

Cushman & Wakefield, Inc. has an internal Quality Control Oversight Program. This Program mandates a "second read" of all appraisals. Assignments prepared and signed solely by designated members (MAIs) are read by another MAI who is not participating in the assignment. Assignments prepared, in whole or in part, by non-designated appraisers require MAI participation, Quality Control Oversight, and signature.

For this assignment, Quality Control Oversight was provided by Robert S. Nardella, MAI, MRICS. In addition to a qualitative assessment of the Appraisal Report, Robert S. Nardella, MAI, MRICS is a signatory to the Appraisal Report and concurs in the value estimate(s) set forth herein.

REPORT OPTION DESCRIPTION

USPAP identifies two written report options: Appraisal Report and Restricted Appraisal Report. This document is prepared as an Appraisal Report in accordance with USPAP guidelines. The terms "describe," summarize," and "state" connote different levels of detail, with "describe" as the most comprehensive approach and "state" as the least detailed. As such, the following provides specific descriptions about the level of detail and explanation included within the report:

- Describes the real estate and/or personal property that is the subject of the appraisal, including physical, economic, and other characteristics that are relevant
- States the type and definition of value and its source
- Describes the Scope of Work used to develop the appraisal
- Describes the information analyzed, the appraisal methods used, and the reasoning supporting the analyses and opinions; explains the exclusion of any valuation approaches
- States the use of the property as of the valuation date
- Describes the rationale for the Highest and Best Use opinion (if included)

IDENTIFICATION OF PROPERTY

Common Property Name:	40 Wall Street
Location:	Between Williams and Nassau Streets New York, New York County, NY 10006 The subject property is located on the north side of Wall Street throughblock to Pine Street between Nassau and William Streets in the Financial East office submarket of Downtown Manhattan.
Property Description:	40 Wall Street is a pre-war 63-story Class A multi-tenant office property built in 1929 (renovated in 1995) containing 1,165,207 square feet of net rentable area (1,061,266 square feet of gross building area) on a 34,360 square foot parcel of land.
Assessor's Parcel Number:	Lot 2 in Block 43
Legal Description:	We have not been provided with a metes and bounds legal description for the property. However, the property is identified on the tax maps of the City of New York as Lot 2 in Block 43.

PROPERTY OWNERSHIP AND RECENT HISTORY

Current Ownership:	*Ground Lessor:* Nautilus Real Estate Inc. and Scandic Wall Limited Partnership *Ground Lessee:* 40 Wall Street LLC c/o The Trump Organization
Sale History:	The subject property was acquired by 40 Wall Street LLC c/o The Trump Organization in 1995. There have been no transactions of the property within the past three years to the best of our knowledge.
Current Disposition:	To the best of our knowledge, the property is not under contract of sale nor is it being marketed for sale.

DATES OF INSPECTION AND VALUATION

Dates of Valuation:	June 1, 2015
Date of Inspection:	June 16, 2015
Property inspection was performed by:	Douglas H. Larson, MAI and Naoum M. Papagianopoulos, MAI made a personal inspection of the property that is the subject of this report. Robert S. Nardella, MAI, MRICS reviewed and approved the report but did not inspect the subject property.

CLIENT, INTENDED USE AND USERS OF THE APPRAISAL

Client:	Ladder Capital Finance LLC
Intended Use:	For the purpose of evaluating potential financing.
Intended Users:	This report was prepared for Ladder Capital Finance LLC, and is intended only for their specified use. It may be distributed to the client's attorney's accountants, advisors and investors. It may not be distributed to or relied upon by any other persons or entities without the written permission of Cushman & Wakefield, Inc.

EXTRAORDINARY ASSUMPTIONS

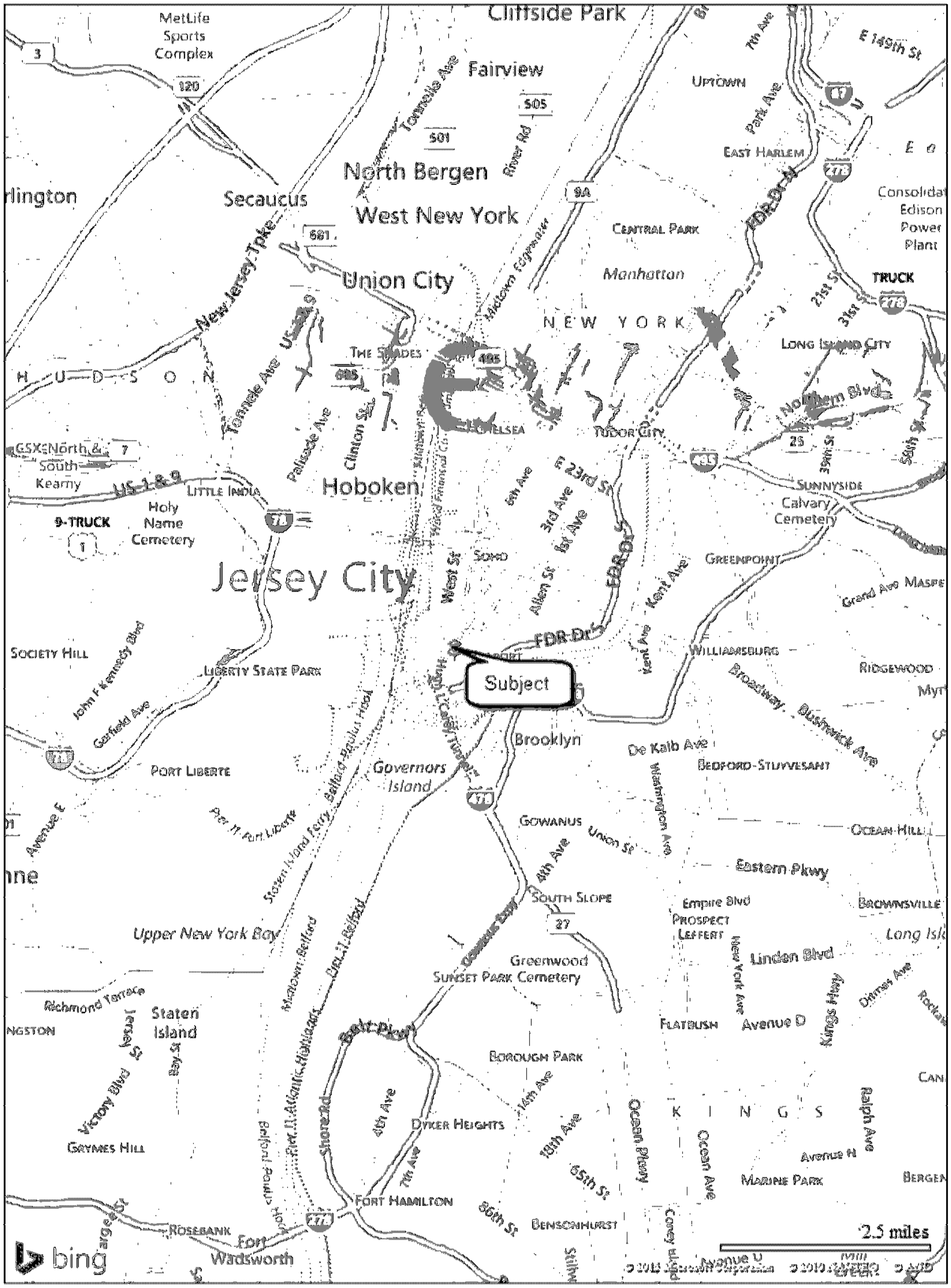
This appraisal does not employ any extraordinary assumptions.

HYPOTHETICAL CONDITIONS

This appraisal does not employ any hypothetical conditions.

NEW YORK CITY REGIONAL ANALYSIS

REGIONAL MAP



INTRODUCTION

MARKET DEFINITION

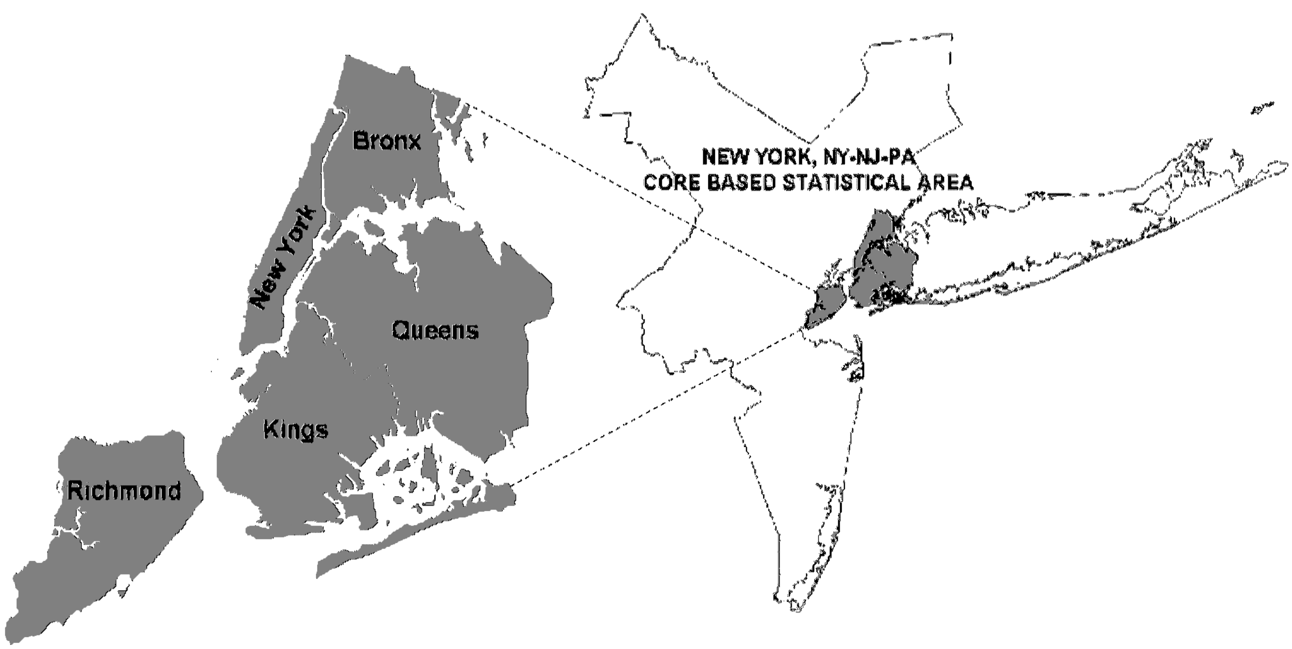
New York City consists of five counties at the mouth of the Hudson River in the southeast area of New York State. The borough of Manhattan, also referred to as New York County, forms the political, financial and cultural core of the city. It is the economic growth engine of the Greater New York Region. The city's other boroughs are Brooklyn, Queens, Staten Island, and the Bronx, otherwise known as Kings, Queens, Richmond, and Bronx counties, respectively. The area's vast mass transit infrastructure connects the five boroughs as well as the surrounding suburban areas, forming the Greater New York Region. This region covers 21 counties in the southeastern section of New York State, southwestern corner of Connecticut, and Central and Northern New Jersey.

The following are notable points about New York City:

- The city is home to the two largest stock exchanges in the world, the New York Stock Exchange and the NASDAQ.
- New York houses many large financial institutions, including Citigroup, JP Morgan Chase, Goldman Sachs, Barclay's and Bank of America.
- New York City is home to the headquarters of 48 companies on the 2014 Fortune 500 list.

The following map highlights the Metropolitan Statistical Area (MSA) of New York, NY:

NEW YORK CITY COUNTIES



Source: Claritas, Inc., Cushman & Wakefield Valuation & Advisory

CURRENT TRENDS

New York City's economy is growing modestly on the strength of steady employment gains over the past few years. The city has recovered all of the jobs lost during the most recent recession, well ahead of most cities in the nation, and total employment recently reached an all-time high. The recent job gains have come in many sectors, and the city's employment diversity has helped weather the finance industry's struggles. A major source of recent economic growth has been the city's tourism industry. NYC & Co., the city's tourism bureau, estimates that New York City had a record 54.3 million visitors in 2013. Healthy tourism is generating revenue for both the retail and hospitality sectors. This boom in the industry explains the city's expansion in related employment sectors, and will continue to help the local economy.

Another important growth driver for the city has been its tech sector. Major companies like Google and Facebook have been joined by small startups throughout the city in creating a thriving tech ecosystem. According to a 2013 study presented at the Bloomberg Technology Summit, the city's tech boom has been responsible for roughly one-third of its private sector job creation since 2007. New York City's government is helping to nurture the growth with economic development and education initiatives. As a result, Cornell, NYU, Columbia, and Carnegie Mellon are all opening or expanding tech-oriented campuses in the city, in an effort to meet the need for highly educated workers.

Another report from 2014, which was commissioned by the Association for a Better New York, found that New York's growing technology industry generates more than a half-million jobs, almost $125.0 billion in annual output, and $5.6 billion in tax revenues.

Despite the city's strong job growth, not all of the jobs added have been high quality and well-paying professional positions. As Wall Street remains stagnant in terms of hiring, the tourism industry has created thousands of low-paying retail jobs. This tradeoff is likely to have a negative impact on New York City's average household income. Moreover, New York City's unemployment rate remains above the nation's going into late 2014.

Further considerations are as follows:

- According to the Port Authority of New York and New Jersey, the four major airports of the New York metropolitan area saw 111.6 million passengers in 2013, an all-time record. John F. Kennedy airport had the most traffic of any in the region, with approximately 50 million passengers during the year.
- Cornell University broke ground on its Roosevelt Island tech campus in January 2014. The $2.0 billion project, which won the city's "Applied Sciences NYC" competition, will add some 2.1 million square feet of academic, residential, and commercial space over the next two decades.
- An October 2014 report from the New York Building Congress forecasts overall construction spending in 2014 to be $32.9 billion, an increase of 17.0 percent from the previous year. A majority of the non-infrastructure construction spending will be from new residential projects.
- General Motors is reorganizing its Cadillac brand into a separate business unit and moving the new company's headquarters to New York City.
- Numerous high-profile redevelopment projects in various stages of the development pipeline will contribute to New York City construction spending well into the future. Notable among these include Hudson Yards, Pacific Park (formerly known as Atlantic Yards), the World Trade Center site, Flushing Commons, Greenpoint Landing, Domino Sugar Factory, the Staten Island ferris wheel and outlet mall, Willets Point, City Point, Hallets Point, and Seward Park.
- Steiner Studios is spending up to $85.0 million to expand its film studio and production space at the Brooklyn Navy Yard. The studio is the largest movie and production facility east of Hollywood.
- Broadway Stages, a Brooklyn-based studio, has plans to build a $20.0 million film production complex on Staten Island. The plan will generate 800 jobs over the next two years and as many as 1,500 jobs over the next five years.

- In December 2013, former Mayor Michael Bloomberg announced that New York City will create a $100.0 million venture for life sciences research and a new technological institute focusing on medical technology. The new institute will be a joint venture between Mount Sinai and Rensselaer Polytechnic Institute.
- IBM announced that it will be investing $1.0 billion in its new Watson supercomputer division, which will be headquartered in 51 Astor Place in Manhattan. The money will be partially invested in startup companies and the hiring of several hundred employees at the new headquarters location.

DEMOGRAPHIC TRENDS

DEMOGRAPHIC CHARACTERISTICS

New York City exceeds the national average in household income at both the top and bottom of the spectrum. As a result, the city's middle income brackets are relatively small. The high cost of living in New York City pushes out many of those who are not poor enough to qualify for subsidized rents or wealthy enough to afford market-rate housing. A 2012 study from the Center for Housing Policy found that for the decade ended in 2010, housing and transportation costs in New York City rose 55.0 percent. Over the same time period, income in the area only grew by 31.0 percent.

The city also has a gap in educational attainment. A higher percentage of New York City residents are without a high school diploma than the national population, and likewise for residents with at least a bachelor's degree.

Further considerations are as follows:

- The median person in New York City is 36 years old, one year younger than the national median.
- New York City's average household income ($78,499) is significantly higher than the country's ($71,318). When looking at median household income, however, the roles are reversed. Median income in New York is $50,493, while the country's median household income is $51,352. Medians are typically a better measure of central tendency, as means are more easily influenced by outliers. As discussed above, New York is full of outliers at the upper and lower ends of the income scale.
- A survey set released by the U.S. Census in September 2013 revealed that in 2011, 21.2 percent of New York City residents were under the poverty line, compared to only 15.9 percent for the nation as a whole. This marked the fourth straight year that the percentage increased. The stat seems to suggest that much of the region's recent job growth has been in industries with low wages.
- New York City bests the national average in residents with at least a bachelor's degree by 5.5 percentage points. The city boasts a large number of institutions of higher learning, along with industries that require such education. The educated labor pool makes New York City an attractive destination for many businesses.

The following table compares the demographic characteristics of New York City with those of the United States:

Demographic Characteristics
New York City vs. United States
2014 Estimates

Characteristic	New York City	United States
Median Age (years)	36.0	37.0
Average Annual Household Income	$78,499	$71,318
Median Annual Household Income	$50,493	$51,352
Households by Annual Income Level:		
<$25,000	28.3%	24.4%
$25,000 to $49,999	21.3%	24.4%
$50,000 to $74,999	15.7%	17.9%
$75,000 to $99,999	10.6%	11.9%
$100,000 plus	24.1%	21.3%
Education Breakdown:		
< High School	20.3%	14.3%
High School Graduate	25.0%	28.4%
College < Bachelor Degree	20.8%	29.0%
Bachelor Degree	20.0%	17.8%
Advanced Degree	13.9%	10.6%

Source: Claritas, Inc., Cushman & Wakefield Valuation & Advisory

POPULATION

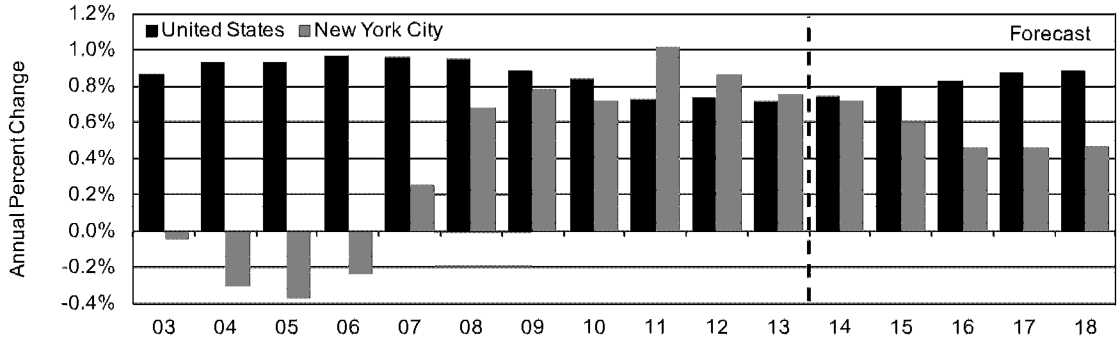
According to Moody's Analytics, the current population of New York City is estimated at over 8.4 million. Rapid population growth is and always will be a challenge for New York City, as the densely populated metro area has little room for growth. The recent trend of redeveloping former industrial and office buildings into residential buildings could help, but the city will likely never grow as quickly as the rest of the country. Of all the boroughs, Brooklyn is expected to grow the most quickly in the near future, as its current renaissance continues. According to Moody's Analytics, the borough is forecast to grow by an average annual rate of 0.7 percent through 2018.

Further considerations are as follows:

- From 2003 through 2013, New York City had average annual population growth of 0.4 percent. Over the same time frame, however, the nation grew at an average annual rate of 0.9 percent.
- Population growth for the next five years will continue to be relatively low in New York. The average annual rate is forecast at 0.5 percent, lower than the nation's forecast annual growth of 0.8 percent.
- People typically follow jobs, so the recent trend of private sector job growth is a likely driver behind New York's population growth since the recession. The city's annual growth rate peaked at roughly 1.0 percent in 2011.

The following chart compares historical and projected population growth between New York City and the United States as a whole:

POPULATION GROWTH BY YEAR
New York City vs. United States, 2003-2018



Source: Data Courtesy of Moody's Analytics and Cushman & Wakefield Valuation & Advisory
Note: Shaded bars indicate periods of recession

The following table shows New York City's annualized population growth by county:

Annualized Population Growth by County
New York City
2003-2018

Population (000's)	2003	2013	Forecast 2014	Forecast 2018	Compound Annual Growth Rate 03-13	Compound Annual Growth Rate 13-18
United States	290,107.9	316,128.9	318,493.9	329,375.3	0.9%	0.8%
New York City	**8,068.1**	**8,407.3**	**8,467.4**	**8,635.5**	**0.4%**	**0.5%**
Bronx County	1,362.4	1,418.6	1,428.8	1,455.0	0.4%	0.5%
Kings County	2,473.0	2,590.8	2,613.2	2,683.4	0.5%	0.7%
Queens County	2,214.6	2,293.1	2,310.4	2,360.0	0.3%	0.5%
Richmond County	455.9	473.7	476.0	478.8	0.4%	0.1%
New York County	1,562.2	1,631.2	1,638.9	1,658.4	0.4%	0.3%

Source: Data Courtesy of Moody's Analytics, Cushman & Wakefield Valuation & Advisory

HOUSEHOLDS

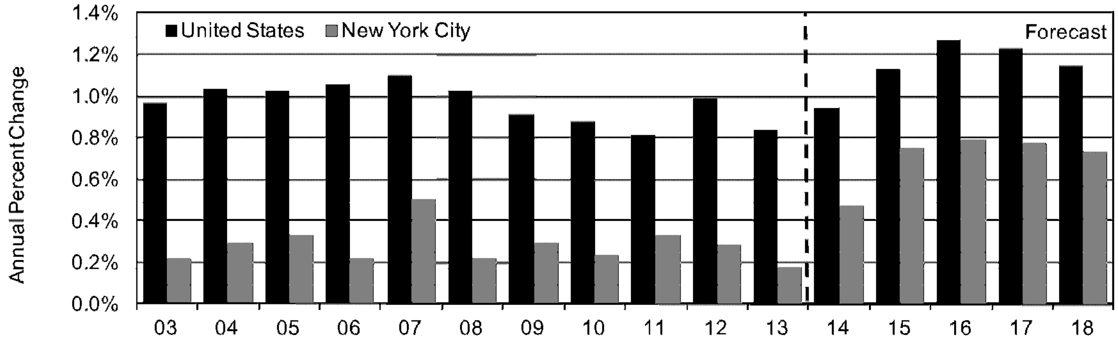
Much like population growth, New York City continually lags the country in household formation. This is largely due to issues endemic to New York City. For example, the extremely high cost of living discourages household formation, especially as young residents group together in apartments to live more affordably. It is not uncommon for living rooms to be converted into extra bedrooms. Indeed, recent census data show that New York City leads the nation in nonfamily households, with almost two-thirds of households having members with no familial relationship.

Further considerations are as follows:

- From 2003 to 2013, the number of households in the city grew at an average annual rate of 0.3 percent, lower than the national rate of 1.0 percent per year.
- Over the next five years, the city's average growth rate is expected to be 0.8 percent per year, two-thirds the nation's rate.

The chart below compares historical and projected household formation growth between New York City and the United States as a whole:

HOUSEHOLD FORMATION BY YEAR
New York City vs. United States, 2003-2018



Source: Data Courtesy of Moody's Analytics and Cushman & Wakefield Valuation & Advisory
Note: Shaded bars indicate periods of recession

ECONOMIC TRENDS

GROSS METRO PRODUCT

As discussed earlier, one of the city's biggest new growth drivers since the recession has been the tech industry. Giants like Microsoft, eBay, Yahoo!, Google, Facebook, Twitter, and LinkedIn have been expanding, while smaller tech firms and startups are popping up in "Silicon Alley" and other areas of the city. Notable among these are Etsy, Shutterstock, Kickstarter, MongoDB, Gilt Groupe, and Tumblr. The industry has also been one of the biggest consumers of office space in the city in recent quarters. Expansion is expected to continue as Cornell University's proposed $2.0 billion high-tech graduate school on Roosevelt Island begins to come to fruition. It may take some time before new jobs and businesses arise from the initiative, but the industry will continue to own a growing share of the city's economic output.

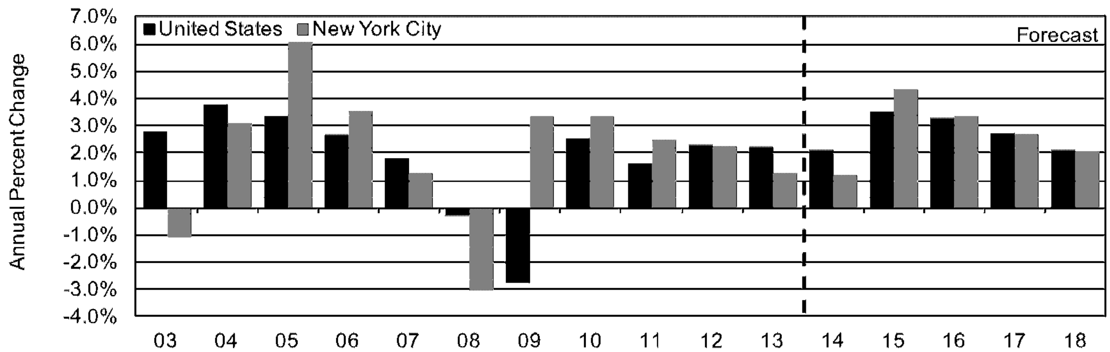
According to Moody's Analytics, the city's economy grew by 1.2 percent by in 2013, lower than the nation's growth of 2.2 percent. This growth is expected to be similar through the rest of 2014, before accelerating in 2015. The city's economy is well-diversified now, and growth will further intensify when financial companies return to expansion.

Further considerations are as follows:

- For the purpose of comparing the economies of New York City and the United States, we use Gross Metro Product (GMP) and Gross Domestic Product (GDP), respectively. The measures are analogous in what they attempt to capture, but GDP is on a much larger scale than GMP.
- From 2003 through 2013, New York City averaged 2.3 percent annual GMP growth, moderately better than the nation's annual GDP growth of 1.7 percent over the same time period.
- The city's GMP growth is expected to slightly lag the nation's GDP growth over the next five years, growing by an annual average rate of 3.1 percent. The nation's GDP is forecast to have 2.9 percent annual growth.

The following chart compares historical and projected GMP growth by year for New York City and GDP growth for the United States:

REAL GROSS PRODUCT GROWTH BY YEAR
New York City vs. United States, 2003-2018



Source: Data Courtesy of Moody's Analytics and Cushman & Wakefield Valuation & Advisory
Note: Shaded bars indicate periods of recession

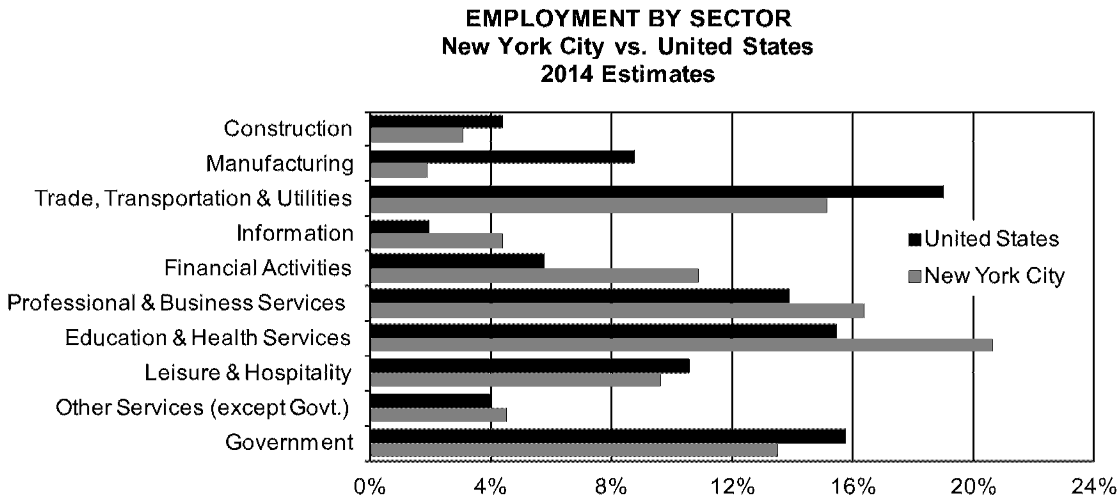
EMPLOYMENT DISTRIBUTION

New York City is heavily weighted in office-using employment sectors, which comprise 31.4 percent of jobs compared to 24.3 percent for the nation. This helps to explain the high wages and job growth found in the metro area. Furthermore, the city's abundance of service jobs has shielded it from the gradual decay in manufacturing employment across the nation.

Further considerations are as follows:

- More New York City jobs are found in education/health services than in any other sector, comprising 20.6 percent of employment. Growth in this sector is expected to continue, particularly as Mayor De Blasio's "Universal Pre-K" program is implemented.
- The sector with the lowest employment representation in the city is manufacturing, which accounts for only 1.9 percent of the workforce. By contrast, the sector accounts for 8.7 percent of national employment. This is a reflection of the service-heavy orientation of New York City, the high cost of land, and the lack of space for large manufacturing facilities.
- The percentage of New York City jobs in the financial activities sector is nearly double that of the national proportion, with 10.9 percent of total employment. This is not surprising, as New York City is the financial capital of the United States and home to Wall Street.
- The area also has more than two times the information sector representation than the rest of the country. Recent growth in this sector is a result of the tech boom.

The following chart compares non-farm employment sectors for New York City and the United States as a whole:



Source: Data Courtesy of Moody's Analytics and Cushman & Wakefield Valuation & Advisory

MAJOR EMPLOYERS

New York City's major employers are a good reflection of the city's employment distribution. Just as many New York City jobs are in education/health services and financial activities, many of the largest employers are found in those sectors. Of the ten largest private employers in the city, five work in healthcare, two are schools, two are banks, and one is a major retailer.

Further considerations are as follows:

- JP Morgan Chase & Co. and Citigroup Inc. are the two largest banks in the city, employing almost 46,500 people combined. Their appearance on this list is not surprising, given New York's status in the financial world.
- As previously stated, the education/health services sector is the largest in the city, and the rest of the list reflects this. In addition to New York City's most renowned schools (NYU and Columbia), the five largest hospital systems (North Shore-Long Island Jewish Health System, Mount Sinai Health System, NYU Langone Medical Center, New York-Presbyterian, and Montefiore Medical Center) employ over 109,000 New Yorkers.

The following table lists New York City's largest private employers:

Largest Private Employers
New York City, NY

Company	No. of Employees	Business Type
Mount Sinai Health System	31,490	Healthcare
JPMorgan Chase & Co.	29,000	Financial Services
North Shore-Long Island Jewish Health System	23,195	Healthcare
New York-Presbyterian Hospital	21,802	Healthcare
NYU Langone Medical Center	17,879	Healthcare
Citigroup Inc.	17,552	Financial Services
Macy's Inc.	17,000	Retailer
New York University	16,021	Education
Columbia University	15,420	Education
Montefiore Health System	14,694	Healthcare

Source: Crain's New York - 2013, & Cushman & Wakefield Valuation & Advisory

EMPLOYMENT GROWTH

Employment growth in New York City remains steady, and has now outpaced the nation's job growth over much of the past decade. New York City has long since recovered all of the jobs lost during the most recent recession and is now in a period of sustained expansion.

According to the New York State Department of Labor, total employment in the city grew by 2.4 percent during the 12-month period ending in September 2014, adding 93,500 jobs. Private sector job growth in New York City was even more pronounced, increasing by 2.8 percent during the year, outpacing the state's growth rate (1.6 percent) and the nation's growth rate (2.3 percent).

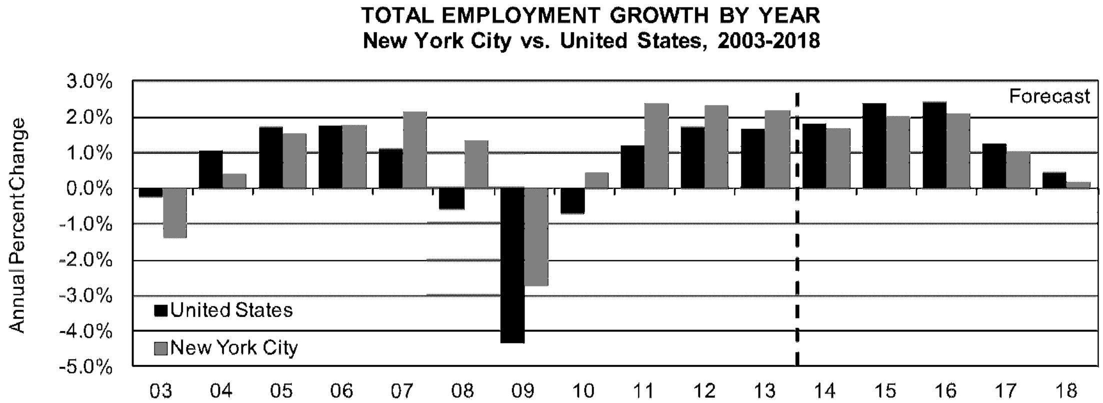
Job growth continues to be broad-based, with almost all major private sectors posting year-over-year gains. The city's employment growth over the past year has been led by the following sectors: education/health services (which grew by 32,000 jobs, a 4.0 percent growth rate), professional/business services (which added 20,000 jobs, a 3.1 percent growth rate), leisure/hospitality (15,700 additional jobs representing 4.1 percent growth), and trade/transportation/utilities (adding 17,000 positions, mostly in low-paying retail trade jobs).

Government employment, however, is still contracting slightly in New York City, as in many others around the country. Over the past year, government employment in the city has fallen by 1,900 jobs (a 0.4 percent decrease). Though the broader financial activities sector expanded by 1.7 percent, the city's important securities brokerage and investment banking subsectors are also still in contraction. These two subsectors combined for a net loss of 1,000 jobs over the past year. Growth could return to these sectors later by the end of 2014 or early 2015, especially as regulatory changes due to the Dodd Frank law become more familiar.

Additional considerations for employment growth are as follows:

- From 2003 through 2013, New York City's total non-farm employment grew by an annual average of 1.2 percent. This was much better than the nation's 0.5 percent annual average job growth over the same time period.
- Over the next five years, the city's total non-farm employment is forecast to grow by an annual average of 1.3 percent, slightly below the nation's 1.6 percent annual growth.

The following chart illustrates total non-farm employment growth per year for New York City and the United States:



Source: Data Courtesy of Moody's Analytics and Cushman & Wakefield Valuation & Advisory
Note: Shaded bars indicate periods of recession

UNEMPLOYMENT

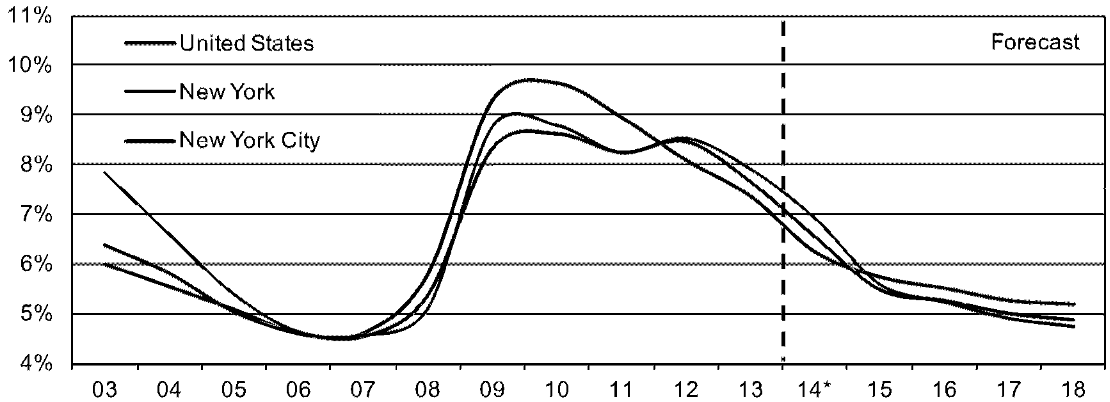
According to the New York State Department of Labor, New York City's seasonally adjusted unemployment rate in September 2014 was 6.8 percent. Year-over-year, the current unemployment rate represents a 1.3-percentage-point improvement from September 2013. The rate remains above the state (6.2 percent) and national (5.9 percent) rates, however. This paradox of a high unemployment rate combined with steady job growth is partly a result of discouraged workers returning to the city's labor force as job prospects improve. New York City's labor force has grown in each of the last three years.

Further considerations are as follows:

- New York City's unemployment rate averaged 6.9 percent from 2003 through 2013, slightly higher than the nation's average rate of 6.8 percent. During the early 2000s the city had a much higher unemployment rate than the nation, a trend which returned in 2012.
- Over the next five years, Moody's Analytics forecasts that New York City's unemployment rate will average 5.5 percent, lower than the nation's 5.6 percent average rate. The city's unemployment rate will dip below 6.0 percent in 2015.

The following graph compares historical and projected unemployment rates for New York City, the state of New York, and the United States as a whole:

UNEMPLOYMENT RATE BY YEAR
New York City vs. New York vs. United States, 2003-2018



Source: Data Courtesy of Moody's Analytics and Cushman & Wakefield Valuation & Advisory
Note: Shaded bars indicate periods of recession
*Second Quarter 2014

CONCLUSION

New York City has fared well in the past few years and expansion is firmly in place. The city has experienced moderate economic growth and employment gains that have outpaced the nation's. Economic expansion is expected to accelerate in 2015 as the tech industry drives employment and financial services begins to recover.

Additional items to consider for New York City:

- New York City has had steady private sector job growth since 2011, record tourism numbers, and features a well-diversified economy that is no longer dependent on Wall Street. As the tech and tourism industries grow further, New York City will continue to see economic growth in line with the rest of the country.
- New York City's unemployment rate has been trending downward and will experience steady improvement over the next several years.
- Affordability will continue to be a problem in the near term for New York City's middle class, sustaining the trend of "a city of extremes". The shifting employment composition could exacerbate this problem.

DOWNTOWN OFFICE MARKET ANALYSIS

INTRODUCTION

CURRENT TRENDS

Even though Downtown got off to a slow start in 2014 in terms of leasing activity and absorption, the market's underlying fundamentals are pointing to the right direction. The vacancy rate has been steadily declining and has remained one of the lowest rates in the country. The average asking rent continued to rise, though the pace is expected to slow as high quality space will be taken off the relatively expensive World Trade submarket.

Several factors are driving this resurgence in lower Manhattan. The first is Downtown's revival as a vibrant mixed-use area. Due to Downtown's rising popularity as a place to live and play, numerous office buildings have been targeted in recent years for residential or hotel conversion. Some examples include: 37 Warren Street, 67 Liberty Street, 70 Pine Street, 180 Water Street, the Woolworth Building, 99 Wall Street, 110 Wall Street, 346 Broadway, and 140 West Street.

These conversions have typically been limited to pre-war buildings with relatively small floor plates. According to the Alliance for Downtown New York, 10.0 million square feet of office space has been converted to residential or hotel use since 2004, and another 5.1 million square feet of space is in the potential conversion pipeline. The residential conversions have the added benefit of removing excess office supply from the market.

The increased residential population has also spurred demand for restaurants and shops. This demand is being met by high-profile retail developments at the World Trade Center site, Brookfield Plaza (World Financial Center is being repositioned to capitalize on the neighborhood's change), and the Pier 17 retail redevelopment. The evolving mixed-use nature of Downtown has consequently made the market more attractive for employers.

In addition to the residential component, Downtown's office space continues to be attractively priced compared to Midtown and even Midtown South. While the early 2015 average asking rents in Midtown and Midtown South were $75.44 per square foot and $63.28 per square foot, respectively, Downtown office space averaged just $57.58 per square foot. This rent discount has been especially attractive to tech and media companies that are getting priced out of Midtown South. A decade ago, two percent of Downtown's leases (by square footage) were signed by information, media, or tech tenants. More recently, these tenants account for a larger portion of the leasing activity in Downtown. WeWork, one of the fast growing users of space in Manhattan over the past two years, is catering to these types of tenants by offering cheap co-working space in creative environments.

Downtown was the only Manhattan submarket to register negative absorption during the first quarter of 2015. In total, 679,579 square feet of space was put back on the market this quarter. The large block of space at 28 Liberty Street (formerly known as One Manhattan Plaza) largely contributed to this negative absorption. The Downtown absorption should improve for the remainder of the year, especially as tenants located in Midtown and Midtown South are increasingly looking to Downtown both for its significant rental discount and its proximity to a creative workforce that lives in lower Manhattan and Brooklyn.

Other important trends and developments in the Downtown office market include:

- The overall average asking rent in Downtown increased from $51.04 per square foot in fourth quarter 2014 to $57.58 per square foot in first quarter 2015.
- Overall vacancy increased from 9.7 percent to 10.4 percent during the first quarter, however, looking at the vacancy rate on a year-over-year basis, it dropped by 0.8 percentage points.
- Downtown's total leasing activity during the quarter amounted to more than 1.0 million square feet, however, absorption was negative 679,579 square feet.

- The Downtown market has been rebranding itself as a "media hub", to capitalize on deals signed by GroupM, New York Daily News, Droga5, MediaMath, Newsweek, Harper Collins, and Condé Nast, among others. If this effort is successful, it may aid the area in attracting the creative spillover from Midtown South.
- Time Inc. is the latest major media company to relocate to Downtown. The company signed a deal during the second quarter in 2014 for almost 700,000 square feet in the Brookfield Place complex.
- News Corporation and 21st Century Fox are considering creating a joint headquarters in the World Trade Center building.
- While Downtown was once an epicenter of financial firms and activity, the market's ongoing diversification into tech and media has proved beneficial, particularly as banks continue to downsize. According to the Alliance for Downtown, the number of employees in these fields has increased by 71.0 percent over the last five years in lower Manhattan.
- Downtown's residential population has grown from 24,000 in 2001 to approximately 61,000 in 2014. By the end of this year, the population is expected to surpass 64,000.
- Furthermore, Downtown is said to be the future of Manhattan's condo. A new report from the Marketing Directors projects that Downtown will see 1,350 new condo units by 2016, constituting about 30.0 percent of the 4,580 total.
- Hugo Boss is moving its North American headquarters from the Starrett-Lehigh building at 601 West 26th Street to 55 Water Street. The fashion giant signed a fifteen year deal for over 68,000 square feet of space, and will occupy the building's entire 48th floor.
- The owners of 375 Pearl Street will be renovating 15 of the building's upper floors for 500,000 square feet of office space. The building is currently configured largely as a data center.

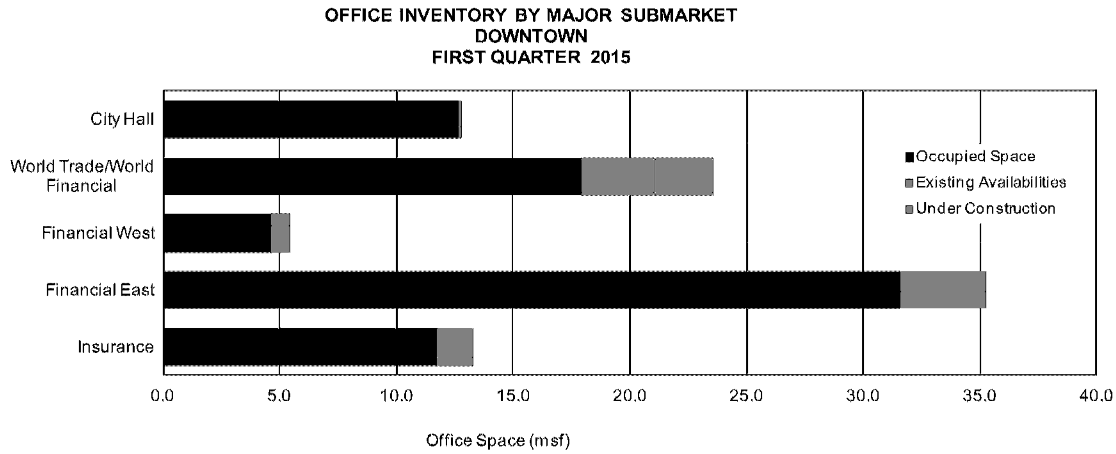
MARKET CHARACTERISTICS

Downtown's office inventory of 87.8 million square feet is geographically segmented into five major submarkets: City Hall, World Trade, Financial East, Financial West and Insurance. Approximately 60.0 percent of Downtown's inventory is Class A product, the majority of which is located in the Financial East submarket.

Characteristics for each submarket are as follows:

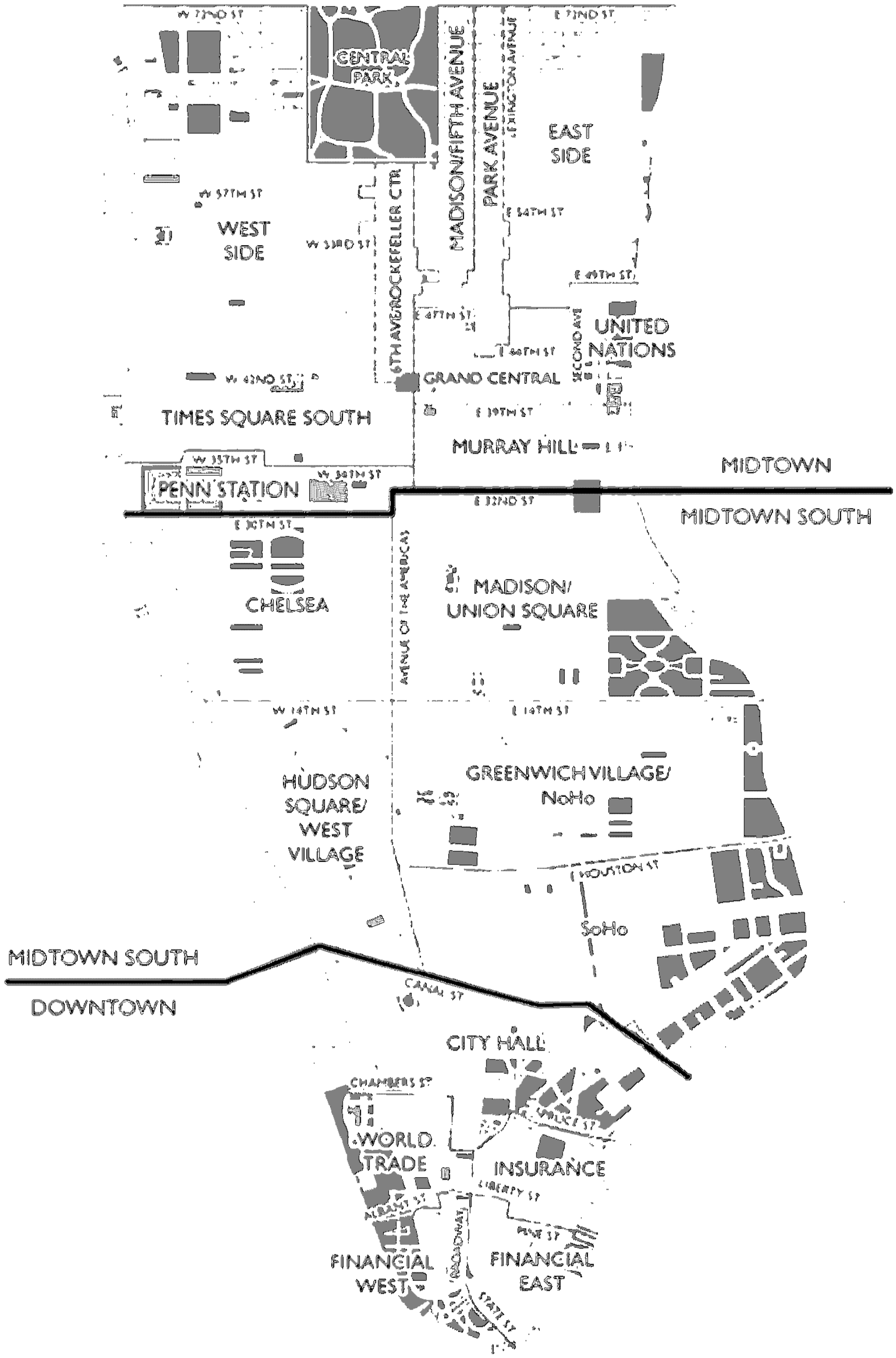
- The City Hall submarket is located in the northernmost section of Downtown, spanning the entire width of Manhattan, south of Canal Street and north of the Brooklyn Bridge. The submarket contains nearly 12.8 million square feet of office space, 6.6 million square feet of which is Class A space. Several landmark municipal buildings, such as City Hall, are located in the center of the submarket.
- The World Trade (formerly known as World Trade/World Financial) submarket rests in the western portion of Downtown, bordering the Hudson River to the west, the Insurance submarket to the east, Financial West to its south and City Hall to its north. Of the 21.1 million square feet of space making up World Trade, 17.4 million square feet is primary Class A space. The submarket is dominated by Brookfield Place and the new World Trade Center complex.
- The Financial West submarket, with just over 5.4 million square feet of office space, is Downtown's smallest submarket. Nearly two thirds of the space in Financial West is Class B.
- Financial East is Downtown's largest submarket with 35.3 million square feet of office space, more than twice as much as any other submarket, except World Trade. This submarket is home to Wall Street and the financial district neighborhood.
- The Insurance submarket is located on the eastern side of the Downtown market, south of City Hall and north of the Financial East submarket. The 13.3 million square foot Insurance submarket is comprised of 43.1 percent Class B office space.

The following chart details the submarket inventories for Downtown:



Source: Cushman & Wakefield Research; compiled by C&W Valuation & Advisory

The following map of Manhattan provides approximate boundaries for each of the borough's major office markets:



SUPPLY ANALYSIS

VACANCY

Downtown's overall vacancy rate rose by 70 basis points, increasing from 9.7 percent in the fourth quarter to 10.4 percent this quarter. This vacancy rate increase was primarily due to the additional 950,000 square feet of space that entered the Downtown market at 28 Liberty Street, formerly One Chase Manhattan Plaza. Over the past year, however, the vacancy rate fell by 80 basis points as a result of strong leasing activity, which was driven by the large volume of leasing at Brookfield Place complex.

Further considerations are as follows:

- The Financial East submarket's vacancy rate increased from 8.7 percent to 10.3 percent during the first quarter. The nearly 1.0 million square foot addition at 28 Liberty Street was a primary cause of this increase.
- City Hall maintains the lowest vacancy rate at less than 1.0 percent, with just over 111,000 square feet of available space during the first quarter.
- World Trade was the only submarket to experience a vacancy rate decrease in the first quarter, dropping 0.8 percent to 14.9 percent.
- Vacancy in Downtown is likely to drop over the next year as space from One World Trade Center is being absorbed at a reasonable rate.

The table below shows Downtown's submarket statistics as of first quarter 2015:

Office Market Statistics by Submarket
Downtown Manhattan
First Quarter 201[illegible]

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
City Hall	[illegible]	[illegible]	[illegible]	0	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
World Trade/World Financial	21,091,586	14.9%	14.0%	0	101,430	2,482,514	$72.51	$72.65	$51.00	$71.85
Financial West	5,411,622	13.6%	11.7%	0	(29,314)	0	$45.53	$49.81	$47.67	$44.56
Financial East	35,261,509	10.3%	9.2%	0	(648,746)	0	$52.17	$55.88	$41.58	$51.39
Insurance	13,268,439	11.6%	10.4%	0	(77,535)	0	$46.64	$48.43	$40.46	$45.54
DOWNTOWN TOTAL	**87,831,671**	**10.4%**	**9.5%**	**0**	**(679,579)**	**2,482,514**	**$58.71**	**$62.63**	**$43.28**	**$57.58**

Source: Cushman & Wakefield Research; compiled by C&W Valuation & Advisory

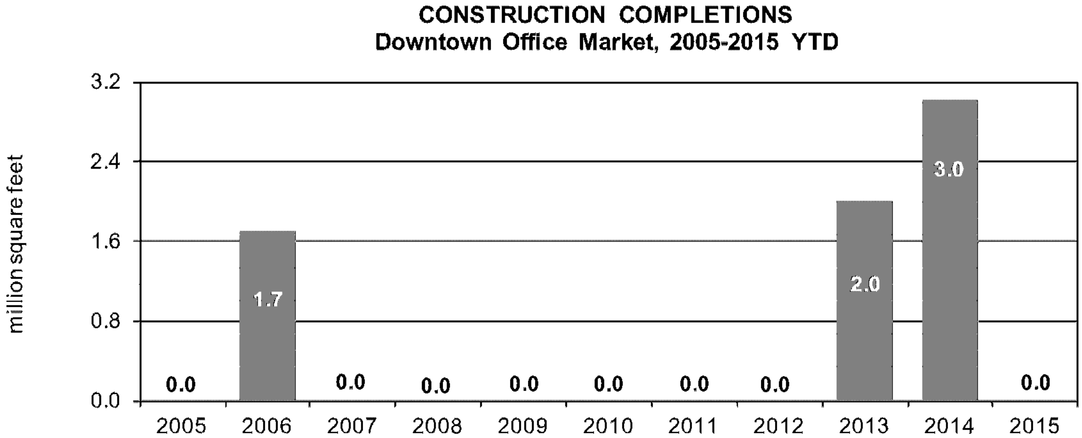
CONSTRUCTION

Though only several office projects have finished construction in the Downtown market recently, it is one of the busiest areas in New York City for office construction. In 2013, nearly half of all office construction (by square footage) tracked by Cushman & Wakefield in the United States occurred in New York City. Most of this total was from the large rebuilding effort at the World Trade Center sites in Downtown Manhattan, which has continued into 2015. Large amounts of Class A space will be added to Downtown sporadically over the next decade, as each tower in the project is finished.

Below is a list of major construction projects in the Downtown market:

- The Fulton Center is located on the southeast corner of Fulton Street and Broadway, and will improve connections to six existing lower Manhattan subway stations. The project will also connect with the PATH service and the World Trade Center site. The $1.4 billion Fulton Center finished construction in November 2014.
- Office construction in Downtown Manhattan is solely represented by the World Trade Center site. By the time the entire project is completed, over 10.0 million square feet of office space will have been added to Downtown's inventory.

The following graph summarizes construction completions within the Downtown office market:



Source: Cushman & Wakefield Research; compiled by C&W Valuation & Advisory

WORLD TRADE CENTER

The most important development in the Downtown market is the World Trade Center site. The project will include six state-of-the-art office towers, a memorial to the victims and families of 9/11, a 550,000 square foot retail concourse, a transportation hub, and a performing arts center. The sustainability efforts of every part of the project make it the most environmentally conscious complex of its size in the world. When completed, the project will be a strong symbol for the resurgent Downtown office market.

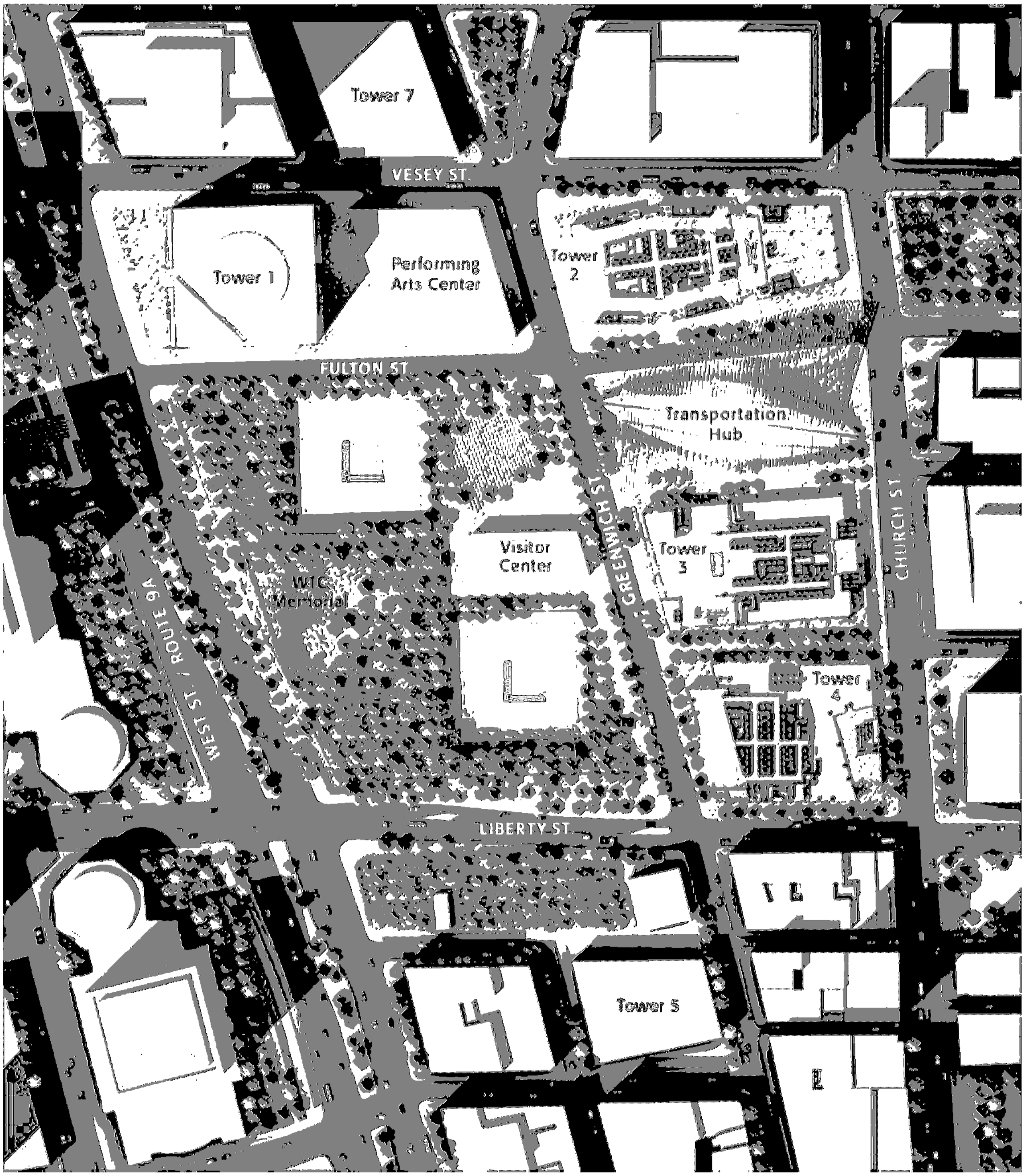
Since their opening, One World Trade Center and Four World Trade Center have been 63.9 percent and 62.0 percent leased, respectively, with almost two million square feet of office space available for lease at both towers. Financial companies, who once filled the original twin towers, are losing dominance as One and Four World Trade Center are attracting a new set of tenants: technology, advertising, media and information (TAMI) companies. These companies present new challenges for the towers as they tend to be comparatively small and often need less office space, leaving relatively more space vacant in the massive towers. In 2014, leases were signed for about 340,000 square feet, with not a single lease larger than the 106,000 square feet signed by MediaMath Inc. at tower 4. Financial firms, who occupied almost 80.0 of space in the twin towers, make up less than 2.0 percent of current tenants, while TAMI tenants have taken up more than 30.0 percent of the tower's space so far, compared to only about 3.0 at the old World Trade Center. Government tenants occupy roughly 40.0 percent of space. At the current pace of leasing, the towers will not reach 95.0 percent occupancy until 2019, according to Bloomberg.

Additional details on the project include:

- Construction on the World Trade Center site's centerpiece, the 3.5 million square foot One World Trade Center, began in 2006, and is the tallest skyscraper in America at 1,776 feet. The tower was developed by the Port Authority of New York/New Jersey and the Durst Organization, and contains roughly 3.0 million square feet of Class A office space. The tower completed construction in November 2014, and was one of the first two towers to reopen at Ground Zero after the September 11, 2001 terrorist attacks. The building's anchor tenant, Condé Nast Publications, leased nearly 1.2 million square feet, and moved into the building the same month the tower was completed. Moreover, Beijing Vantone Real Estate Co. leased more than 196,000 square feet, while the United States General Services Administration took more than 270,000 square feet of space under a twenty year agreement.

- With its crystalline design culminating in a diamond-shaped summit, Two World Trade Center (200 Greenwich Street) will be the second tallest tower on the World Trade Center site. In total, the building will contain 2.8 million square feet of office space, including four trading floors of roughly 65,000 square feet each. Construction has begun, and foundation work was completed in 2013. Before moving forward, however, the developer (Silverstein Properties) must secure an anchor tenant.
- Three World Trade Center (175 Greenwich Street) will be an 80-story, 2.5 million square foot office building. The building will also house 133,000 square feet of retail. Due to a contractual agreement with the Port Authority, however, the building had been capped at eight stories due to insufficient pre-leasing activity. This cap was lifted after GroupM signed a lease for 515,000 square feet in the building. In June 2014, the Port Authority voted to release approximately $159.0 million of insurance money to help secure financing for the tower, and in October, developer, Larry Silverstein, sold $1.6 billion of tax-exempt bonds to finance the construction of the tower.
- Four World Trade Center (150 Greenwich Street) is the fourth tallest building of the World Trade Center site. The 72-story, 2.5 million square foot building was completed in November 2013, and was the first tower to reopen at Ground Zero after the September 11, 2001 terrorist attacks. Roughly half of the building's two million total square feet has been leased to the Port Authority and NYC Department of Human Resource. MediaMath and Morningstar have also signed significant leases in the building recently.
- Five World Trade Center (130 Liberty Street) is on the site of the former Deutsche Bank Building, which was irreparably damaged in the attacks of September 11th. The building's deconstruction finished in early 2011. The approved redevelopment plans call for a 40-story 1.3 million square foot office building to be developed by the Port Authority of New York and New Jersey. Construction on the foundation is currently underway.
- Seven World Trade Center (250 Greenwich Street) was the first office building at the World Trade Center site to be completed. Construction of the 1.7 million square foot building began in 2002 and was completed in 2006, at a cost of $700.0 million. Major tenants include Moody's, MSCI, and Portigon Financial Services.
- The National September 11th Memorial & Museum broke ground in August 2006, and is located on the site of the former twin towers. A beautiful park with two manmade waterfalls is at ground level, along with a museum seventy feet below. The memorial opened to the public in September 2011, and the museum opened during second quarter 2014.
- The retail portion of the World Trade Center site, to be known as Westfield World Trade Center, is estimated to be completed in fall 2015. The current plan proposes some 350,000 square feet of initial retail space within an underground mall, all of which is now owned by Westfield. Leasing of stores at the site is nearly complete, with a tenant list that includes Breitling, Michael Kors, and Eataly.
- A proposed performing arts center will be located on the northwest corner of Fulton and Greenwich Streets. Construction on this project has not yet begun, and funding is currently uncertain.
- The new World Trade Center Transportation Hub (also known as the Oculus), designed by renowned architect Santiago Calatrava, is expected to accommodate 250,000 pedestrians a day. The hub will include a multi-story transit hall and 225,000 square feet of high-end retail. A corridor will also connect the hub to the Fulton Center. In total, commuters will have access to other transportation locations on and around the hub including the Hudson River Ferry, the PATH service, 11 subway lines, and the proposed JFK rail link. This development is a joint effort between the Port Authority of New York/New Jersey and the Federal Transit Administration. The Oculus is scheduled to be open to limited pedestrian traffic in June 2015, and completed in December 2015.

The following rendering of the World Trade Center site is courtesy of Silverstein Properties:



ASKING RENTS

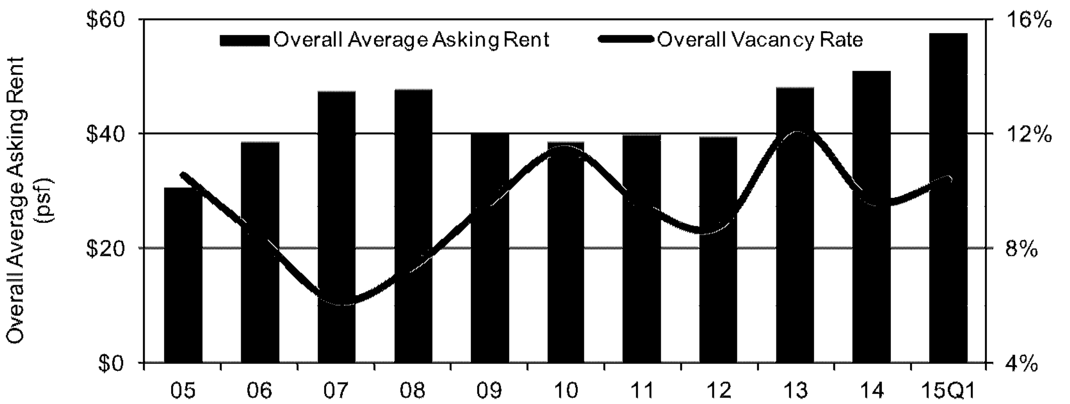
Downtown's overall average asking rent increased from $51.04 per square foot to $57.58 per square foot during first quarter 2015, reaching the highest quarterly level ever recorded in the market. Over the past year, the Downtown overall asking rent has risen by 17.2 percent, due largely to the addition of the space at 28 Liberty Street, which is priced above the market average. The pace is expected to slow as high quality space is getting absorbed. The Downtown market continues to remain a value play for tenants compared to the pricier Midtown and Midtown South markets.

Further considerations include:

- The World Trade submarket currently has the highest overall average asking rent, at $71.85 per square foot. It was the only submarket in Downtown to have its year-over-year rate fall. This decline is attributed to higher priced space at Brookfield Place and Four World Trade Center getting leased.
- The overall average asking rent in the Financial West submarket is $44.56 per square foot, the lowest of any Downtown submarket.
- Exceptionally strong leasing activity in Downtown has caused the net effective rents in the submarket to rise by 9.1 percent, from $35.13 per square foot in 2009 to $38.34 per square foot in 2014.

The following graph highlights the relationship between the overall vacancy rate and overall asking rents in the Downtown office market since 2005:

OVERALL VACANCY RATE & OVERALL ASKING RENT BY YEAR DOWNTOWN, 2005-15Q1



Source: Cushman & Wakefield Research; compiled by C&W Valuation & Advisory

DEMAND ANALYSIS

LEASING ACTIVITY

Tenants in Downtown signed over 1.0 million square feet of new leases during the first quarter. This represents a decrease of 40.7 percent from the same time last year when total leasing was above 1.7 million square feet. It also represents a quarterly low for the market since first quarter 2010. Financial East was the most active submarket during the quarter, registering over 700,000 square feet of new leasing, including several sizeable transactions completed by WeWork and OSP Group.

Other notes of interest for leasing activity in Downtown are as follows:

- WeWork signed the largest lease during the first quarter, taking more than 230,000 square feet of space at 85 Broad Street in Financial East. The shared office space provider will be taking up six floors at the former headquarters of Goldman Sachs building
- OSP Group signed the second largest lease, taking more than 156,000 square feet at One New York Plaza. The online apparel retailer for plus-size consumers is relocating its corporate headquarters from midtown Manhattan to the new location in Lower Manhattan.
- The third largest lease of the quarter was signed by Planned Parenthood for 65,000 square feet at 123 William Street. The reproductive health nonprofit is selling its current headquarters at 434 West 33rd Street and will be moving to the Insurance submarket.

The following table highlights significant leasing transactions in Downtown for the first quarter in 2015:

Significant Office Market Lease Transactions Downtown Manhattan First Quarter 2015			
Building Address	Submarket	Tenant	Size (sf)
85 Broad Street	Financial East	WeWork	233,174
One New York Plaza	Financial East	OSP Group	157,210
123 William Street	Insurance	Planned Parenthood	65,000

Source: Cushman & Wakefield Research; compiled by C&W Valuation & Advisory

NET ABSORPTION

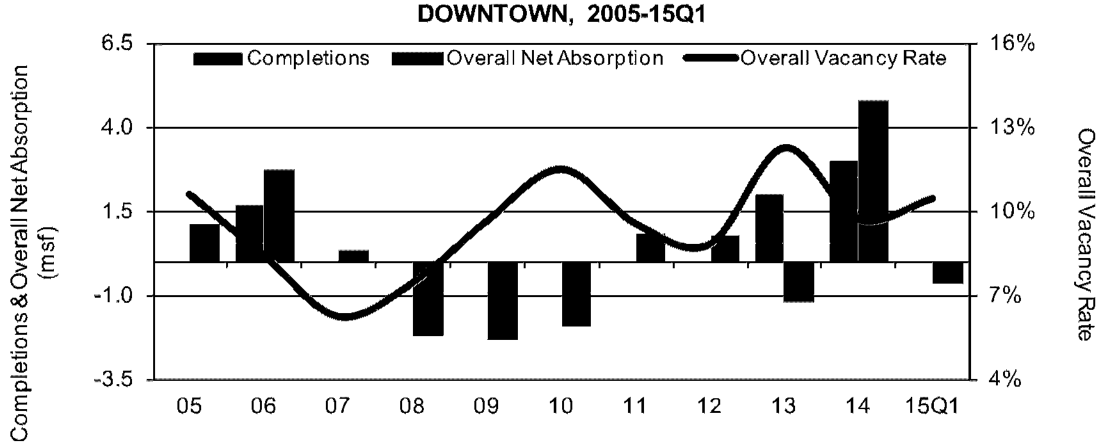
Downtown was the only Manhattan submarket to register negative absorption during the first quarter. In total, 679,579 square feet of space was put back on the market this quarter. The large block of space at 28 Liberty Street largely contributed to this negative absorption. The Downtown absorption should improve for the remainder of the year, especially as tenants located in Midtown and Midtown South are increasingly looking to Downtown both for its significant rental discount and its proximity to a creative workforce that lives in lower Manhattan and Brooklyn.

Further considerations are as follows:

- Four of the five Downtown submarkets recorded negative overall absorption this quarter, with the exception of World Trade, which recorded over 100,000 square feet of positive absorption.
- Financial East registered the highest level of negative absorption, at 648,746 square feet. Most of the additional space came from 28 Liberty Street.
- Over 96.4 percent of Downtown's negative absorption during the quarter occurred in Class A leasing, most of which has been in the Financial East submarket.

The following graph shows construction completions and absorption compared to overall vacancy rates since 2005:

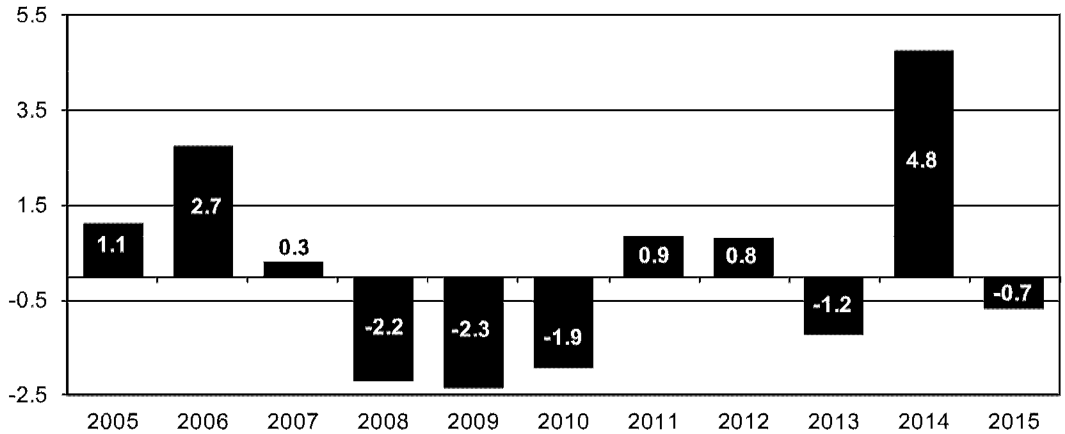
COMPLETIONS & ABSORPTON VS. VACANCY
DOWNTOWN, 2005-15Q1



Source: Cushman & Wakefield Research; compiled by C&W Valuation & Advisory

The following chart shows the overall net absorption in Downtown since 2005:

OVERALL NET ABSORPTION
Downtown Office Market, 2005-2015 YTD



Source: Cushman & Wakefield Research; compiled by C&W Valuation & Advisory

CONCLUSION

The Downtown Manhattan office market remains competitive due to its pricing and growing attractiveness to both residents and employers. The market has moved away from being dominated by financial services firms and now benefits from greater industrial diversity. This trend has been helped by creative and tech firms moving south after being priced out of the tight Midtown South office market. The previous oversupply of space is beginning to be absorbed by renewed interested in the Downtown market.

Some final thoughts on Downtown:

- The asking rents in Downtown remain far below the average rents in Midtown and Midtown South. This has proven to be an advantage, as creative tenants priced out of those markets move south to Downtown.
- Current developments in residential, retail, and entertainment are boosting lower Manhattan's appeal to both employers and employees.
- Despite the recent increase in available space due to the delivery of One World Trade Center, the overall vacancy trend remained stable. This downward trend is expected to continue as space becomes scarce.

FINANCIAL EAST OFFICE DISTRICT ANALYSIS

DISTRICT OVERVIEW

The subject property, 40 Wall Street, located within the Financial East sub district of Downtown Manhattan. This sub district is anchored by the New York Stock Exchange located on the southwest corner of Wall Street and Broad Street. Downtown Manhattan is comprised of five statistical areas tracked by Cushman & Wakefield and are delineated as follows:

- **City Hall**: Bound by the Brooklyn Bridge, Park Row, Vesey Street, Chambers Street, Hudson River, Canal Street and the East River.
- **World Financial:** Bound by Albany Street, Hudson River, Chambers Street, Church Street, Vesey Street, Broadway, Liberty Street and Greenwich Street.
- **Financial West:** Bound by Battery Park, Hudson River, Albany Street, Greenwich Street, Liberty Street and Broadway.
- **Financial East:** Bound by Battery Park, Broadway, Liberty Street, William Street, Pine Street and the East River.
- **Insurance:** Bound by Pine Street, William Street, Liberty Street, Broadway, Park Row and the Brooklyn Bridge.

The following chart summarizes the Downtown Class A and B office market as of first quarter 2015:

DOWNTOWN NEW YORK OFFICE MARKET Class A Statistical Summary - First Quarter 2015						
	City Hall	World Trade	Financial West	Financial East	Insurance	Market Summary
Number of Buildings	8	10	2	21	8	**49**
Inventory (sf)	6,602,688	17,423,432	663,315	23,378,388	4,735,929	**52,803,752**
Total Space Available	0	3,010,514	43,453	2,750,055	997,227	**6,801,249**
Direct Space Available	0	2,929,547	26,233	2,419,869	977,305	**6,352,954**
Direct Vacancy Rate	0.0%	16.8%	4.0%	10.4%	20.6%	**12.0%**
Total Vacancy Rate	0.0%	17.3%	6.6%	11.8%	21.1%	**12.9%**
Direct Rental Rate	$0.00	$72.65	$49.81	$55.88	$48.43	**$62.63**
YTD Leasing Activity	3,500	81,979	27,919	515,215	44,059	**672,672**

DOWNTOWN NEW YORK OFFICE MARKET Class B Statistical Summary - First Quarter 2015						
	City Hall	World Trade	Financial West	Financial East	Insurance	Market Summary
Number of Buildings	8	4	8	24	10	**54**
Inventory (sf)	3,192,893	3,618,654	3,387,600	10,927,205	5,712,767	**26,839,119**
Total Space Available	47,951	138,879	382,694	714,507	469,715	**1,753,746**
Direct Space Available	47,951	18,550	295,531	677,909	342,225	**1,382,166**
Direct Vacancy Rate	1.5%	0.5%	8.7%	6.2%	6.0%	**5.1%**
Total Vacancy Rate	1.5%	3.8%	11.3%	6.5%	8.2%	**6.5%**
Direct Rental Rate	$56.98	$51.00	$47.67	$41.58	$40.46	**$43.27**
YTD Leasing Activity	0	41,137	46,240	150,697	32,615	**270,689**

The Downtown vacancy rates, as of the first quarter 2015, tend to vary from district to district. For Class A space, the direct vacancy rates are 0.0 percent for the City Hall sub district, 16.8 percent for the World Trade sub district, 4.0 percent for the Financial West sub district, 10.4 percent for the Financial East sub district and 20.6 percent for the Insurance sub district. This compares to the average Downtown direct vacancy rate of 12.0 percent for Class A space. When sublease space is included, the average vacancy rate for Downtown Class A space increases to 12.9 percent.

For Class B space, the direct vacancy rates are 1.5 percent for the City Hall sub district, 0.5 percent for the World Trade sub district, 8.7 percent for the Financial West sub district, 6.2 percent for the Financial East sub district and 6.0 percent for the Insurance sub district. This compares to the average Downtown direct vacancy rate of 5.1 percent for Class B space. When sublease space is included, the average vacancy rate for Downtown Class B space increases to 6.5 percent.

FINANCIAL EAST OFFICE SUBDISTRICT

As we mentioned earlier the subject is located within the Financial East office submarket. Following is a snapshot of the submarket as of the first quarter 2015.

FINANCIAL EAST SUBDISTRICT
OFFICE STATISTICAL AREA FIGURES

Quarter	Inventory	Direct Vacancy	YTD Leasing Activity	Direct Wtd. Avg Class A Gross Rental Rate psf/yr
1st Quarter 2015	35,261,509	9.20%	705,854	$55.88
4th Quarter 2014	35,339,509	7.80%	2,392,349	$48.61
1st Quarter 2015	35,339,509	7.90%	830,045	$44.92

- **Rents:** Direct Class A asking rents increased from $48.61 per square foot in Q4 2014 to $55.88 per square foot in Q1 2015. The increase in asking rents is reflective of completed new construction; rents will continue to rise as the construction continues. Class B overall rental rates remained flat this quarter at $43.27 per square foot.

- **Vacancy Rates:** Financial East's overall direct vacancy rate is 9.2 percent increased by 1.4 percentage points from Q4 2014. Class A office space maintains a direct vacancy rate of 10.4 percent while Class B is much lower at 6.2 percent. There are two new large blocks available in Financial East at 55 Water Street (127,291 square feet) and One State Street Plaza (81,468 square feet).

- **Leasing Activity:** Year-to-date leasing activity registered over 700,000 square feet, which was more than the rest of downtown combined. Class A leasing represents 73 percent of all leasing in the Financial East submarket. Compared to last year leasing activity is down over 40 percent at 1,044,591 square feet.

The Financial East Sub district contains a large number of pre-war office buildings, many of which remain Class A buildings. An example of a large pre-war Class A buildings include 40 Wall Street (subject property). Pre-war buildings are frequently renovated and upgraded with new windows, new HVAC package units, new elevators and increased electrical capacity. These improvements combine with the architectural integrity of pre-war lobbies which frequently include brass elevator doors, marble floors and vaulted ceilings of intricate design. Examples of pre-war buildings which have undergone renovation include 100 Broadway located on the southeast corner of Pine Street.

Post-war office buildings include several large buildings constructed during the 1960/70 building boom and include larger buildings with large floor sizes built for major institutions. Some of the largest downtown buildings located in the Financial East District fall within this category:

- **Chase Plaza** – One and Two Chase Plaza are 35 and 60 story buildings containing 2.8 million square feet. The complex, located on Pine Street, is occupied by Chase Manhattan Bank and Milbank Tweed Hadley & McCloy.
- **55 Water Street** – Consists of 14 and 53 story towers containing 3.6 million square feet. The complex, located on Water Street, is occupied by Chase Manhattan Bank, Standard & Poor's, and Depository Trust Company.
- **One New York Plaza** – A 50 story tower containing 2.6 million square feet. The tower, located on Water Street, is occupied by Wachovia and Morgan Stanley.

Other large post-war buildings in this district include Two Broadway; Two New York Plaza a/k/a 125 Broad Street; Four New York Plaza and 60 Broad Street. Modern buildings constructed since 1980 are limited in number in Financial East. These would include Seven Hanover Square; Financial Square; 17 State Street, 33 Whitehall Street and 60 Wall Street.

Wall Street is the major east/west artery in this submarket beginning at Broadway and ending seven blocks east at South Street. Other major streets in this district include Broadway which is the north/south artery which forms the district's western border; Broad Street located two blocks east of Broadway which also runs north/south, and Water Street which begins at Battery Park and winds north into the Insurance District.

COMPETITIVE BUILDING HIGHLIGHTS

Several office buildings within the Financial East subdistrict, as well as the surrounding Insurance, Financial West and World Financial sub districts, are considered to be competitive with the subject property. The chart on the **following pages** summarizes these 29 competitive buildings, excluding the subject. These office buildings are more indicative of the competition that would have a direct impact on the subject compared to the overall subdistrict previously examined. Although we have reported both direct and sublease space available within the buildings considered competitive with the subject property, it should be noted that sublease space is generally not considered a reliable occupancy indicator.

COMPETITIVE BUILDINGS

	Property (Cross Streets)	Office Area (NRA)	Year Built	Stories	Direct SF Available	Sublease SF Available	% Occupied (Direct)	Direct Asking Rent Low	Direct Asking Rent High
1	**20 Broad Street** N/W/C of Exchange Place	453,207	1956	27	0	0	100.00%	N/A	N/A
2	**30 Broad Street** S/W/C of Exchange Place	346,900	1932 1985	49	28,000	11,985	91.93%	$42.00	$44.00
3	**26 Broadway** N/E/C of Beaver Street	630,000	1922	31	86,356	0	86.29%	$40.00	$50.00
4	**45 Broadway Atrium** B/w Morris Street & Exchange Alley	368,315	1983	32	9,756	0	97.35%	$41.00	$41.00
5	**61 Broadway** N/W/C of Exchange Alley	548,155	1916 1988	33	62,855	15,203	88.53%	$41.00	$52.00
6	Former Bank of Tokyo Building **100 Broadway** S/E/C of Broadway & Pine Street	304,538	1922 1998	24	26,172	0	91.41%	$41.00	$44.00
7	One Trinity Centre **111 Broadway** S/W/C of Thames St.	427,598	1905 1989	21	56,992	6,859	86.67%	$45.00	$49.00
8	United States Realty Building **115 Broadway** Entire Block Bounded By Thames Street, Trinity Place, Cedar Street, &	409,596	1907	22	107,977	3,550	73.64%	$47.00	$49.00
9	The Equitable Building **120 Broadway** Entire block bounded by Bway, Pine, Nassau & Cedar Sts.	1,916,700	1915	41	128,872	107,282	93.28%	$43.00	$48.00
10	A T & T Building **195 Broadway** B/w Dey & Fulton Streets	875,000	1916 1986	30	0	111,129	100.00%	N/A	N/A

COMPETITIVE BUILDINGS (CONTINUED)

	Property (Cross Streets)	Office Area (NRA)	Year Built	Stories	Direct SF Available	Sublease SF Available	% Occupied (Direct)	Direct Asking Rent Low	Direct Asking Rent High
11	**100 Church Street** Entire block bounded by Barclay Street, West Broadway & Park Place	970,627	1958	21	0	0	100.00%	N/A	N/A
12	**22 Cortlandt Street** B/w Broadway & Church Street	601,487	1972	34	18,550	9,200	96.92%	$51.00	$51.00
13	**One Exchange Plaza** S/W/C of Exchange Alley	295,000	1983	32	23,469	17,220	92.04%	$54.00	$56.00
14	**40 Fulton Street** S/W/C of Pearl Street	224,531	1989	28	16,622	3,042	92.60%	N/A	N/A
15	**5 Hanover Square** B/w Beaver & Pearl Streets	235,523	1961	25	18,337	0	92.21%	$43.00	$43.00
16	Federal Reserve Plaza **33 Maiden Lane** N/E/C of Nassau St.	540,000	1984	27	0	0	100.00%	N/A	N/A
17	**59 Maiden Lane** S/W/C of John Street.	1,043,007	1965	44	0	0	100.00%	N/A	N/A
18	**83 Maiden Lane** N/W/C of Gold Street	135,955	1958 1987	13	0	0	100.00%	N/A	N/A
19	**Four New York Plaza** N/E/C of Broad & Water Streets	1,100,000	1968	23	49,528	0	95.50%	$40.00	$40.00
20	**80 Pine Street** Entire Block Bounded by Maiden Lane, Pearl, Pine & Water Sts	983,425	1960	40	0	127,490	100.00%	N/A	N/A

COMPETITIVE BUILDINGS (CONTINUED)

	Property (Cross Streets)	Office Area (NRA)	Year Built	Stories	Direct SF Available	Sublease SF Available	% Occupied (Direct)	Direct Asking Rent Low	Direct Asking Rent High
21	**14 Wall Street** N/W/C of Nassau & Wall Streets	956,654	1932 1997	37	146,562	0	84.68%	$40.00	$45.00
22	**44 Wall Street** N/W/C of William Street	265,780	1926 2004	24	63,996	2,916	75.92%	$40.00	$44.00
23	**48 Wall Street** N/E/C of William Street	265,427	1927 2000	33	5,803	40,950	97.81%	$42.00	$46.00
24	**100 Wall Street** B/w Water & Front Streets	457,622	1968 1994	29	53,948	16,766	88.21%	$41.00	$43.00
25	**100 William Street** B/w John & Platt Streets	355,364	1972	21	36,880	0	89.62%	$46.00	$48.00
26	**110 William Street** N/E/C of John Street	848,592	1958 1999	32	95,381	0	88.76%	$45.00	$45.00
27	**123 William Street** B/w John & Fulton Streets	503,325	1957 2014	27	10,317	0	97.95%	$40.00	$54.00
28	**77 Water Street** Entire Block bound by Gouverneur, Old Slip, & Front Sts	614,011	1970	26	0	0	100.00%	N/A	N/A
29	The Woolworth Building **233 Broadway** B/w Barclay Street & Park Place	855,104	1913 2002	54	16,738	0	98.04%	$55.00	$57.50
	TOTAL	**14,880,328**			**849,972**	**446,404**			
	AVERAGE	**646,971**	**1965**	**30**	**36,955**	**19,409**	**94.29%**	**$40.00**	**$57.50**

The buildings that are competitive with the subject contain a total net rentable area of 14,880,328 square feet with an average direct occupancy rate of 94.29 percent; this compares to direct vacancy of 88.0 percent for Class A office space in the Downtown market as a whole. The minimum asking rent for the 30 buildings that are competitive with the subject is $40.00 per square foot and the average maximum asking rent is $57.50 per square foot.

DIRECTLY COMPETITIVE BUILDINGS

Of the 29 buildings presented, six are considered directly competitive with the subject in terms of building classification, asking rents, rentable office area, and current occupancy. The following chart summarizes the relevant occupancy statistics for the seven competitive buildings 14 Wall Street, 100 Church Street, 123 William Street, 111 Broadway, 120 Broadway, and 233 Broadway.

DIRECTLY COMPETITIVE BUILDINGS

	Property (Cross Streets)	Office Area (NRA)	Direct Avail. SF	Sublease Avail SF	% Occupied (Direct)	% Occupied (Total)	Direct Asking Rent Low	Direct Asking Rent High
1	14 Wall Street	956,654	146,562	0	84.68%	84.68%	$40.00	$45.00
2	100 Church Street	970,627	0	0	100.00%	100.00%	N/A	N/A
3	123 William Street	503,325	10,317	0	97.95%	97.95%	$40.00	$54.00
4	111 Broadway	427,598	56,992	6,859	86.67%	85.07%	$45.00	$49.00
5	120 Broadway	1,916,700	128,872	107,282	93.28%	87.68%	$43.00	$48.00
6	233 Broadway	855,104	16,738	0	98.04%	98.04%	$55.00	$57.50
	TOTAL	**5,630,008**	**359,481**	**114,141**				
	AVERAGE	**938,335**	**59,914**	**19,024**	**93.61%**	**91.59%**	**$40.00**	**$57.50**

The average direct occupancy rate for these six directly competitive buildings is 93.61 percent for direct space and 91.59 percent when including sublease space. This compares with an average direct occupancy rate of 89.08 percent for all of the buildings competitive with the subject and 88.00 percent for direct Class A space within the Downtown market.

SUMMARY AND CONCLUSIONS

Of the 29 buildings competitive with the subject, six buildings are considered directly competitive; 14 Wall Street, 100 Church Street, 123 William Street, 111 Broadway, 120 Broadway, and 233 Broadway are directly competitive with the subject due to their similar age, size, quality, location, occupancy and asking rents. The buildings may have individual traits that vary from the subject but overall are very comparable. Based upon our analysis, it is our opinion that rents for 40 Wall Street should average in the mid $40's per square foot and stabilize at an occupancy rate above 90 percent.

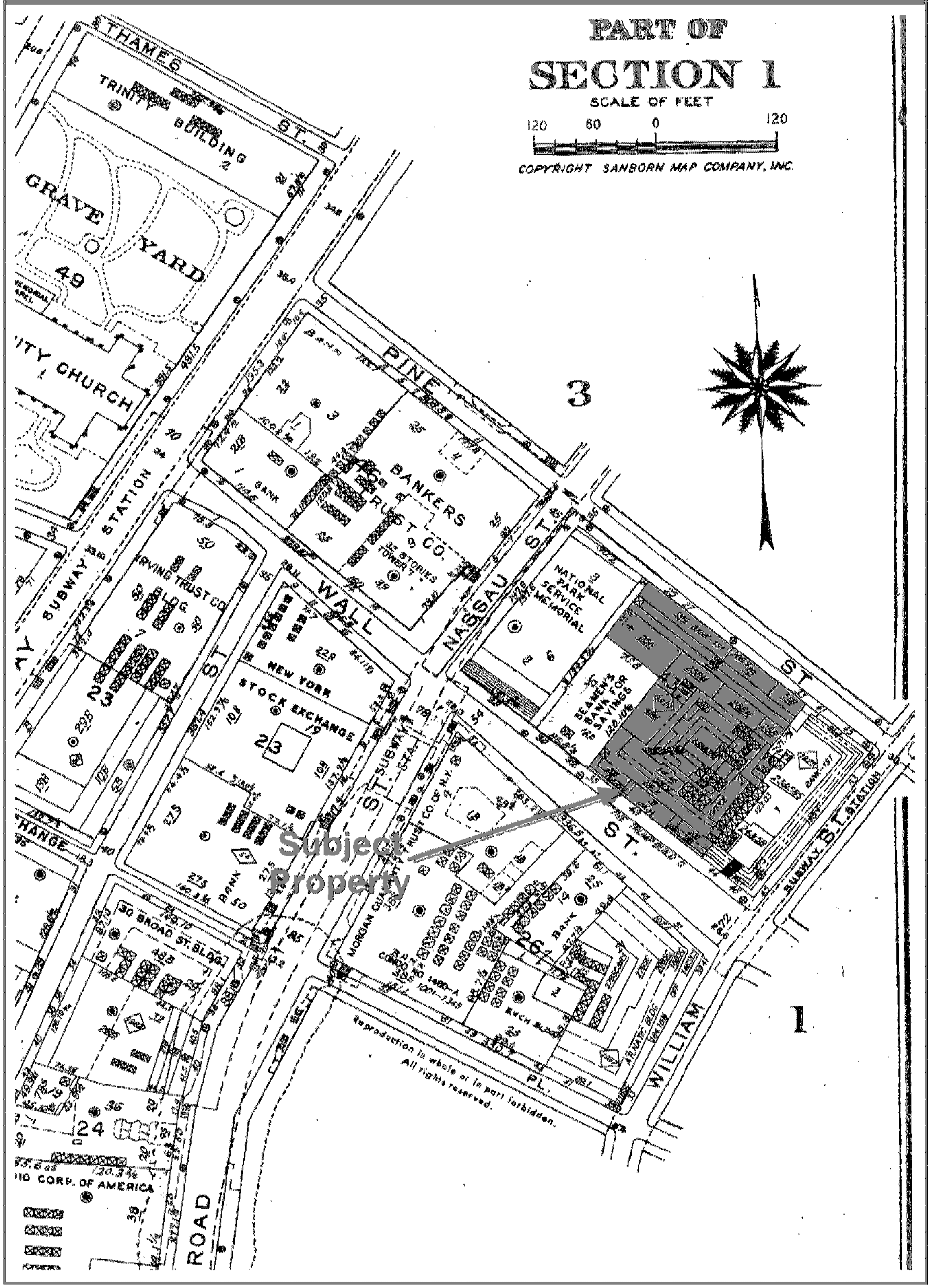
PROPERTY ANALYSIS

SITE DESCRIPTION

Location:	40 Wall Street Between Williams and Nassau Streets New York, New York County, NY 10006 The subject property is located on the north side of Wall Street throughblock to Pine Street between Nassau and William Streets in the Financial East office submarket of Downtown Manhattan.
Shape:	Irregular
Topography:	The site slopes downward slightly from north to south and from east to west.
Land Area:	34,360 square feet
Frontage:	Approximately 150 feet 1 inch on Wall Street and approximately 203 feet 9 inches on Pine Street.
Visibility:	The subject property has good visibility.
Access:	Access is provided by Wall Street and Pine Street. Wall Street is a one-way, eastbound commercial thoroughfare that runs from Broadway to South Street and is closed to vehicular traffic. Pine Street is also a one-way, westbound commercial thoroughfare that runs cross-town from Broadway to Water Street.
Street Improvements:	Curbing, sidewalks and street lights.
Soil Conditions:	We did not receive nor review a soil report. However, we assume that the soil's load-bearing capacity is sufficient to support existing structure. We did not observe any evidence to the contrary during our physical inspection of the property. Drainage appears to be adequate.
Utilities:	Following are the utility providers for the subject property:
Water:	City of New York
Sewer:	City of New York
Electricity:	Consolidated Edison
Gas:	Consolidated Edison
Telephone:	Verizon Communications
Land Use Restrictions:	We were not given a title report to review. We do not know of any easements, encroachments, or restrictions that would adversely affect the site's use. However, we recommend a title search to determine whether any adverse conditions exist.

Flood Zone:	The subject property is located in flood zone X.
Flood Zone Description:	Areas determined to be outside the 500 year flood plain.
FEMA Map:	360497-0184F, dated September 5, 2007
Site Improvements:	The site is improved with a 63-story Class A office building with retail and storage space.
Hazardous Substances:	We observed no evidence of toxic or hazardous substances during our inspection of the site. However, we are not trained to perform technical environmental inspections and recommend the hiring of a professional engineer with expertise in this field
Overall Site Utility:	The subject site is functional for its current use.
Location Rating:	Good

SANBORN MAP



CUSHMAN & WAKEFIELD
VALUATION & ADVISORY

IMPROVEMENTS DESCRIPTION

The following description of improvements is based upon our physical inspection of the improvements along with our discussions with the building manager.

GENERAL DESCRIPTION	
Year Built:	1929 (Renovated in 1995)
Building Class:	Class A
Number of Buildings:	1
Number of Stories:	63
Gross Building Area:	1,061,266 square feet (Per Assessor)
Net Rentable Area:	1,165,207 square feet (Per Rent Roll/Leases)
Loss Factor:	27.00 percent (Remeasured)
	The owners remeasured the property based on a 27.00 percent loss factor. Rentable areas of buildings in New York City exceed the gross buildings areas by factors ranging from 15 to 25 percent per floor which translates to loss factors of 22 to 28 percent per floor based upon REBNY measurements and 26 to 32 percent per floor based upon typical architects' carpetable measurement. As leases expire, tenants will be paying rent based on their remeasured area.
Typical Floor Plate:	The floor plates range from 3,591 to 38,828 square feet.
CONSTRUCTION DETAIL	
Basic Construction:	Structural steel and concrete with aluminum and glass curtain wall facade..
Foundation:	The foundation consists of reinforced concrete and steel piles at load bearing column locations and reinforced concrete slab-on-grade basement floors. The basement has concrete perimeter walls.
Framing:	Poured reinforced concrete foundation and concrete encased steel frame supporting reinforced concrete floor slabs.
Ceiling Height:	Generally, ceiling heights vary from 11' 0" to 14' 0", slab to slab with finished ceiling heights of 8' 6" to 9' 0" in the office area.
Floors:	Concrete poured. Each floor is bridged by structural steel floor beams. The stairwells, bathrooms, equipment rooms and elevator shafts are side core.
Exterior Walls:	The facades consist of limestone over concrete masonry unit with some areas of an exterior insulation finishing system.
Roof Cover:	The roofs are a combination of a steep-sloped pinnacle roof structure covered with sheet copper and low-sloped setback roofs covered with single-ply, fully adhered EPDM membranes.

	Parapets are an extension of the facade. Base flashing consists of the roofing membrane extending along the roof side surface of the parapet and terminating under the aluminum counter flashing. Roof drainage is provided by domed strainers that lead to an interior drainage system that discharges storm water into the municipal system.
Windows:	Operable double thermopane that tilt and turn.
Pedestrian Doors:	Glass in aluminum frames.
Loading Doors:	The freight entrance is located on the Pine Street side of the building

MECHANICAL DETAIL

Heating:	Low pressure steam purchased from Consolidated Edison. Steam is provided to the building by two eight inch high pressure steam mains. Low pressure steam is delivered to cast iron perimeter radiators on the 7th through 63rd floors. Heating for the 1st through 6th floors is provided by means of perimeter induction units.
Cooling:	Cooling is provided by three water cooled chillers, which are centrifugal type manufactured by York. Two of the chillers are driven by steam turbines and one is electric drive. They utilized I32A refrigerant. Chilled water is delivered to cooling coils at air handlers on each floor. Heat rejection is provided by one three cell cooling tower located on the 25th floor setback roof. The cooling tower has a capacity of 3,000 tons and is approximately 50 years old. Chilled water is distributed by three circulating pumps manufactured by Weiman. Pumps are rated at 2,300 gpm and motors are rated at 100 hp. Condenser water is circulated by three pumps manufactured by Weinman. Pumps are rated at 3,000 gpm and motors are rated at 200hp. The interior spaces and corridors are provided with fresh air via fans located on each floor.
Plumbing:	The plumbing system is assumed to be adequate for existing use and in compliance with local law and building codes. The plumbing system is typical of other office properties in the area with a combination of steel, copper and cast iron piping throughout the building. Adequate restrooms for men and women are located on each floor of the building.
Electrical Service	Electricity is supplied underground to the site. A single 40,000 amp, 110/208 volt, 3 phase 4-wire service is provided. Circuit protection is provided by circuit breakers, distribution wiring is of copper conductors. Individual meters are located on each floor. Interior lighting consists of fluorescent fixtures.
Emergency Power:	None

Elevator Service: The building is equipped with 30 passenger elevators and 8 freight elevators. They are gearless traction type manufactured by Otis Elevator and are original to the building. Controllers are of the solid-state type. Elevators have a capacity of 2,500 lbs. The cab interiors are finished with carpeted floors, and bronze walls and ceilings. There two escalators connecting the lobby to the banking hall. The elevator service is summarized as follows:

No.	Bank	Type	Weight (lbs.)	Floors
7	A	Passenger	2,500	L-12
1	A	Freight	3,000	LL-12
6	B	Passenger	2,500	L, 12-22
1	B	Freight	3,000	2, 12-22
3	C1	Passenger	2,500	L, 38-55
1	C1	Freight	2,500	2, 38-54
4	C2	Passenger	2,500	L, 38-60
1	C2	Freight	3,000	2, 38-54
6	D	Passenger	2,500	L, 22-38
1	D	Freight	2,500	LL, 22-38
2	E	Passenger	2,500	60-63
1	E	Freight	3,000	60-67
2	X	Passenger	2,500	BB-4
2	Z	Freight	3,000	SB-6

Fire Protection: The building is not fully sprinkled. The building contains a Class E fire alarm system which includes local fire wardens located on each floor, pull boxes, speakers, strobe lights and an “all call” public address system. There are eight separate fire stairs serving the facility. The command center for the fire alarm system is located in the lobby.

Security: The building contains a 24-hour guard service and a closed circuit television system. In addition, tenants in the building have an electronic key code entrance system to enter the building.

INTERIOR DETAIL

Layout: The core of the building is located in the side of each floor. The building features functional floor plates.

Office spaces are located on the 2nd through 63rd floors. The building contains sub-basement, basement and mezzanine space. Additionally, there are several mechanical levels above the 63rd floor. The grade level contains the main lobby, retail space and the elevator landings. The mezzanine level, which is at grade on Pine Street, contains retail space and the building management office. The basement contains a retail unit, currently leased to a cafe as well as miscellaneous building space. The sub-basement and floors above the 63rd contain miscellaneous building and mechanical space.

Entrance/Lobby:	The main entrance consists of four glass and bronze revolving doors flanked by four sets of glass swing type doors. The main lobby on the ground floor is accessible from Wall Street and contains a concierge desk, tenant directories and elevator landings. Access to Sav Café Inc is located in the basement level is available from the main lobby. The main lobby is finished with marble floors and walls and a painted drywall ceiling. Escalators leading to the mezzanine level retail are located in the main lobby.
Floor Covering:	Floors throughout the office, corridor or lobby areas contain marble finish, terrazzo, resilient tile, ceramic tile, carpet or exposed hard wood.
Walls:	Painted plaster. Some office areas have some removable partitions and paneling.
Ceilings:	Ceilings are suspended acoustical tile, painted drywall or plaster.
Doors:	The majority of the office entrance doors off the corridors are painted hollow core metal doors.
Lighting:	The building contains a mixture of fluorescent and incandescent light fixtures.
Restrooms:	The building features restrooms for men and women on each tenant floor.

SITE IMPROVEMENTS

Parking:	None
Onsite Landscaping:	None
Other:	None
Condition:	Average

PERSONAL PROPERTY

Personal property was excluded from our valuation.

SUMMARY

Quality:	Average
Layout & Functional Plan:	Average
Property Rating:	After considering all of the physical characteristics of the subject, we have concluded that this property has an overall rating that is average when measured against other properties in this marketplace.
Actual Age:	86 years
Effective Age:	35 years (The building was renovated in 1995 and has been well maintained)
Expected Economic Life:	60 years
Remaining Economic Life:	25 years

AMERICANS WITH DISABILITIES ACT

The Americans With Disabilities Act (ADA) became effective January 26, 1992. We have not made, nor are we qualified by training to make, a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey and a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since we have not been provided with the results of a survey, we did not analyze the results of possible non-compliance.

HAZARDOUS SUBSTANCES

We are not aware of any potentially hazardous materials (such as formaldehyde foam insulation, radon-emitting materials, or other potentially hazardous materials) that may have been used in the construction of the improvements. However, we are not qualified to detect such materials and urge the client to employ an expert in the field to determine if such hazardous materials are thought to exist.

DESIGN FEATURES AND FUNCTIONALITY

The building is a pre war 63-story Class A office property with floor plates ranging from 3,591 to 38,828 square feet. The building has good appeal to prospective office tenants.

PHYSICAL CONDITION

We inspected the mechanical systems of the building. The appraisers, however, are not qualified to render an opinion as to the adequacy or condition of these components. The client is urged to retain an expert in this field if detailed information is needed about the adequacy and condition of mechanical systems.

REAL PROPERTY TAXES AND ASSESSMENTS

CURRENT PROPERTY TAXES

The subject property is located in the taxing jurisdiction of City Of New York. The assessor's parcel identification number is Lot 2 in Block 43.

Assessments for the current and prior years are as follows:

NEW YORK CITY ASSESSMENT AND TAX ANALYSIS				
Assessor's Parcel Number:	Block 43, Lot 2			
Assessing Authority:	City of New York			
Current Tax Year:	2015/16		2014/15	
ASSESSMENT INFORMATION				
	Actual	**Transitional**	**Actual**	**Transitional**
Assessed Value				
Land Assessed Value	$19,980,000	$19,980,000	$19,980,000	$19,980,000
Improved Assessed Value	$45,335,700	$45,609,551	$44,128,350	$47,672,131
Total Assessed Value	$65,315,700	$65,589,551	$64,108,350	$67,652,131
TAX LIABILITY				
Taxable Assessment	$65,315,700		$64,108,350	
Tax Rate*	10.791%		10.684%	
Total Property Taxes	$7,048,113		$6,849,336	
(1) 2015/16 tax rate estimated at 1% above the 2014/15 rate.				

Real estate taxes in New York City are normally the product of the transitional assessed value times the tax rate, for the fiscal year July 1 through June 30 (payable July 1 and January 1). The transitional assessed value is based on a five-year phase-in of actual assessed value. If the actual assessed value is lower than the transitional assessed value for that year, the actual assessed value is multiplied by the tax rate to determine the tax.

In the case of the subject property, the actual assessed value is less than the transitional assessed value for 2015/2016. Our tax projection for the subject property, therefore, is based upon the 2014/15 and 2015/2016 actual assessments for calendar year 2015 as follows:

2015 CALENDAR TAX PROJECTIONS	
2015/16 Fiscal Taxes $7,048,113 @ 50% =	$3,524,056
2014/15 Fiscal Taxes $6,849,336 @ 50% =	$3,424,668
2015 Calendar Year Tax Liability =	$6,948,724
2015 Calendar Year BID Taxes =	$237,095
2015 Total Calendar Year Tax Liability =	$7,185,819
Tax Liability per Square Foot GBA =	$6.77

As can be seen from the previous summary of tax liability, the subject property's assessments decreased from 2014/2015 to 2015/2016. In an effort to evaluate the fairness of the subject's current assessed value and future prospects for a change in the assessment, we have;

1) compared the most recent assessments (land and building) to that of other similar properties,
2) compared the assessment to the market value estimate concluded in this report, and
3) considered the potential for future changes in the assessed value of the subject property.

Business Improvement District Tax

The property is also subject to the Downtown Business Improvement District (BID) taxes. The Downtown BID tax is a supplemental real estate tax levied on commercial buildings located in the designated Downtown District. The Downtown District is a Special Assessment District in which private commercial real estate owners pay a nominal supplemental tax used to augment public services and provide special amenities to the area. The Downtown Manhattan Partnership administers the district's activities. According to the Downtown Manhattan BID office, the BID taxes allocated to the subject property are $237,095 for the 2015 tax year.

TAX COMPARISONS

To determine if the taxes on the property are reasonable, we have examined the actual tax burdens of similar properties in the market. They are illustrated in the table below.

REAL ESTATE TAX COMPARABLES									
No.	Property Name & Location	Block	Lot	Building GBA	Year Built	Assessment	Assess/SF	Total Taxes	Taxes/SF
1	120 Broadway	47	1001-2	1,597,965	1915	$137,797,430	$86.23	$14,869,721	$9.31
2	14 Wall Street	46	9	839,749	1912	$63,291,230	$75.37	$6,829,757	$8.13
3	30 Broad Street	24	29	370,000	1932	$26,005,470	$70.29	$2,806,250	$7.58
4	55 Broad Street	25	1	406,025	1967	$23,650,650	$58.25	$2,552,142	$6.29
5	80 Broad Street	11	21	361,710	1931	$22,476,150	$62.14	$2,425,401	$6.71
6	61 Broadway	21	1	650,740	1916	$50,596,280	$77.75	$5,459,845	$8.39
7	100 Broadway	46	3	364,390	1922	$24,057,900	$66.02	$2,596,088	$7.12
STATISTICS									
	Low:			361,710	1912	$22,476,150	$58.25	$2,425,401	$6.29
	High:			1,597,965	1967	$137,797,430	$86.23	$14,869,721	$9.31
	Average:			655,797	1928	49,696,444	$70.86	5,362,743	$7.65

G.B.A. provided by Real Property Assessment Bureau

Our survey of comparable office buildings, which contain retail and office space, indicates a wide range of taxes ranging from $6.29 to $9.31 per square foot of gross building area. The average tax of the comparable properties is $7.65 per square foot. This compares with the subject's 2015/2016 fiscal tax liability of $7,048,113 or $6.44 per square foot of the assessor's gross building area of 1,061,266 square feet.

The subject's real estate tax burden is within the range exhibited by the comparables. Based upon the property's increasing net operating income over the next several years, we have assumed the assessed value will stabilize at $80,000,000 (taxes near $8.50 per square foot), which will be phased-in over a 5-year period based upon the net operating income over the next several years.

NEW YORK CITY ASSESSMENT PRACTICE

Based upon our discussions with officials at the New York City Department of Finance, the following guidelines serve to summarize New York City's assessment policy.

1. New York City is guided by the basic principles of ad valorem assessment. Consequently, within the same property classes, properties of similar value should experience approximately equal assessments and pay similar property taxes.

2. Assessments are primarily made for Class IV property by capitalizing net operating income at market level capitalization rates. When a property is sold, the sales price is recorded and the Assessor notes the sales price.

3. Upon sale, the Assessor will likely use the sale, along with other sales data, as indications of general price levels. If the recently sold property has an assessment that is comparable to other similar properties, the sale price is unlikely to cause a substantial reassessment.

As previously discussed, the transitional assessed value is based on a five-year phase-in of actual assessed value. Real estate taxes are determined by the lower of the actual assessed value or transitional assessed value which is multiplied by the tax rate to determine the tax. The current transitional assessed value for the subject property is $65,315,700, which reflects the first year of a five year transitional assessment phase-in to the assessed value of $80,000,000 as shown on the following chart.

PHASE-IN PERIOD	TAX YEAR	ASSESSED VALUE PHASE-IN
1	2015/16	$65,315,700
2	2016/17	$69,192,163
3	2017/18	$72,794,776
4	2018/19	$76,387,388
5	2019/20	$80,000,000

Based on the subject's location, level of income and assessments from competing buildings, as well as the fact that the tax assessor has the ability to change the assessed property values each year, we believe that the subject property will receive large tax increases in the near term. We have assumed the assessed value will stabilize at $80,000,000 (taxes near $8.50 per square foot) based upon net operating income over the next several years, which will be phased-in over the remaining 5-year period. These increases, beginning in the 2012/2013-tax year, are reflected in the tax forecast at the end of this section.

CONCLUSION OF FUTURE REAL ESTATE TAXES

The tax rates in the last nine fiscal years are exhibited on the following chart.

YEAR	TAX RATE
2005/06	11.306
2006/07	10.997
2007/08	10.059
2008/09	10.241
2009/10	10.426
2010/11	10.312
2011/12	10.152
2012/13	10.288
2013/14	10.323
2014/15	10.684

We have assumed an increase in tax rates which will be phased in over a 5 year fiscal year period in our Discounted Cash Flow Analysis. In addition to increasing tax rates, in the Discounted Cash Flow Analysis (that follows in the Income Capitalization Approach), we have incorporated a modest reassessment provision based upon the local custom of annual revaluations. In our analysis, we have assumed that the tax rate will increase 1 percent annually starting fiscal year 2014/15. The actual and projected real estate taxes used for the first six calendar years are summarized on the following chart.

CALENDAR YEAR TAXES				
YEAR	R.E. TAXES	B.I.D. TAXES	TOTAL	PSF
2015	$6,948,724	$237,095	$7,185,819	$6.77
2016	$7,294,596	$244,208	$7,538,804	$7.10
2017	$7,777,068	$251,534	$8,028,602	$7.57
2018	$8,253,388	$259,080	$8,512,468	$8.02
2019	$8,738,456	$266,853	$9,005,309	$8.49
2020	$9,117,941	$274,858	$9,392,799	$8.85

ZONING

Map 12b of the Zoning Resolution of the City of New York indicates that the subject property is zoned as follows:

ZONING DESIGNATION	C5-5 RESTRICTED CENTRAL COMMERCIAL DISTRICT
Definition	C5 Restricted Central Commercial Districts These districts are designed to provide for office buildings and the great variety of large retail stores and related activities which occupy the prime retail frontage in the central business district, and which serve the entire metropolitan region. The district regulations also permit a few high-value custom manufacturing establishments which are generally associated with the predominant retail activities, and which depend on personal contacts with persons living all over the region. The district regulations are also designed to provide for continuous retail frontage.

ZONING COMPLIANCE

Property value is affected by whether or not an existing or proposed improvement complies to zoning regulations, as discussed below.

Complying Uses

An existing or proposed use that complies to zoning regulations implies that there is no legal risk and that the existing improvements could be replaced "as-of-right."

Pre-Existing, Non-Complying Uses

In many areas, existing buildings pre-date the current zoning regulations. When this is the case, it is possible for an existing building that represents a non-complying use to still be considered a legal use of the property. Whether or not the rights of continued use of the building exist depends on local laws. Local laws will also determine if the existing building may be replicated in the event of loss or damage.

Non-Complying Uses

A proposed non-complying use to an existing building might remain legal via variance or special use permit. When appraising a property that has such a non-complying use, it is important to understand the local laws governing this use.

SUBJECT PROPERTY CONFORMANCE

C5-5 bulk regulations are as follows:

ZONING REGULATIONS	F.A.R. (times Lot Area)
Floor Area Ratio	
Commercial Building	15
Community Facility	15
Residential Building	10

The C5-5 designation permits a floor area ratio that permits a zoning floor area of 15 times the size of the lot area for commercial buildings. Our estimate of the maximum permitted zoning floor area for this site under the zoning code designation is as follows:

ZONING	LAND SF	FAR	MAXIMUM ZFA
C5-5	34,360 SF	@ 15 =	515,400 square feet

The subject site contains a zoning lot area of 34,360 square feet. The above grade gross building area of the subject property totals 1,061,266 square feet which appears to conform to the exceed the permitted zoning floor area as of right of 515,400 square feet.

LOWER MANHATTAN-SPECIAL PURPOSE MIDTOWN DISTRICT OVERLAY

The property is within the LM-Special Lower Manhattan District. The "Special Lower Manhattan District" established in the Zoning Resolution is designed to promote and protect public health, safety, general welfare and amenity. These general goals include, among others, the following specific purposes:

a) Encourage development of a 24-hour community through the conversion of older commercial buildings;

b) Facilitate maximum design flexibility of buildings and enhance the distinctive skyline and streetscape of Lower Manhattan;

c) Improve public use and enjoyment of the East River waterfront by creating a better physical and visual relationship between development along the East River and the waterfront area, public access areas and the adjoining upland community;

d) Enhance the pedestrian environment by relieving sidewalk congestion and providing pedestrian amenities;

e) Restore, preserve and assure the use of the South Street Seaport Subdistrict as an area of small historic and restored buildings, open to the waterfront and having a high proportion of public spaces and amenities, including a South Street Seaport Environmental Museum, with associated cultural, recreational and retail activities;

f) Establish the Historic and Commercial Core to protect the existing character of this landmarked area by promoting development that is harmonious with the existing scale and street configuration; and

g) Promote the most desirable use of the land and thus conserve and enhance the value of the land and buildings, and thereby protect the City's tax revenues.

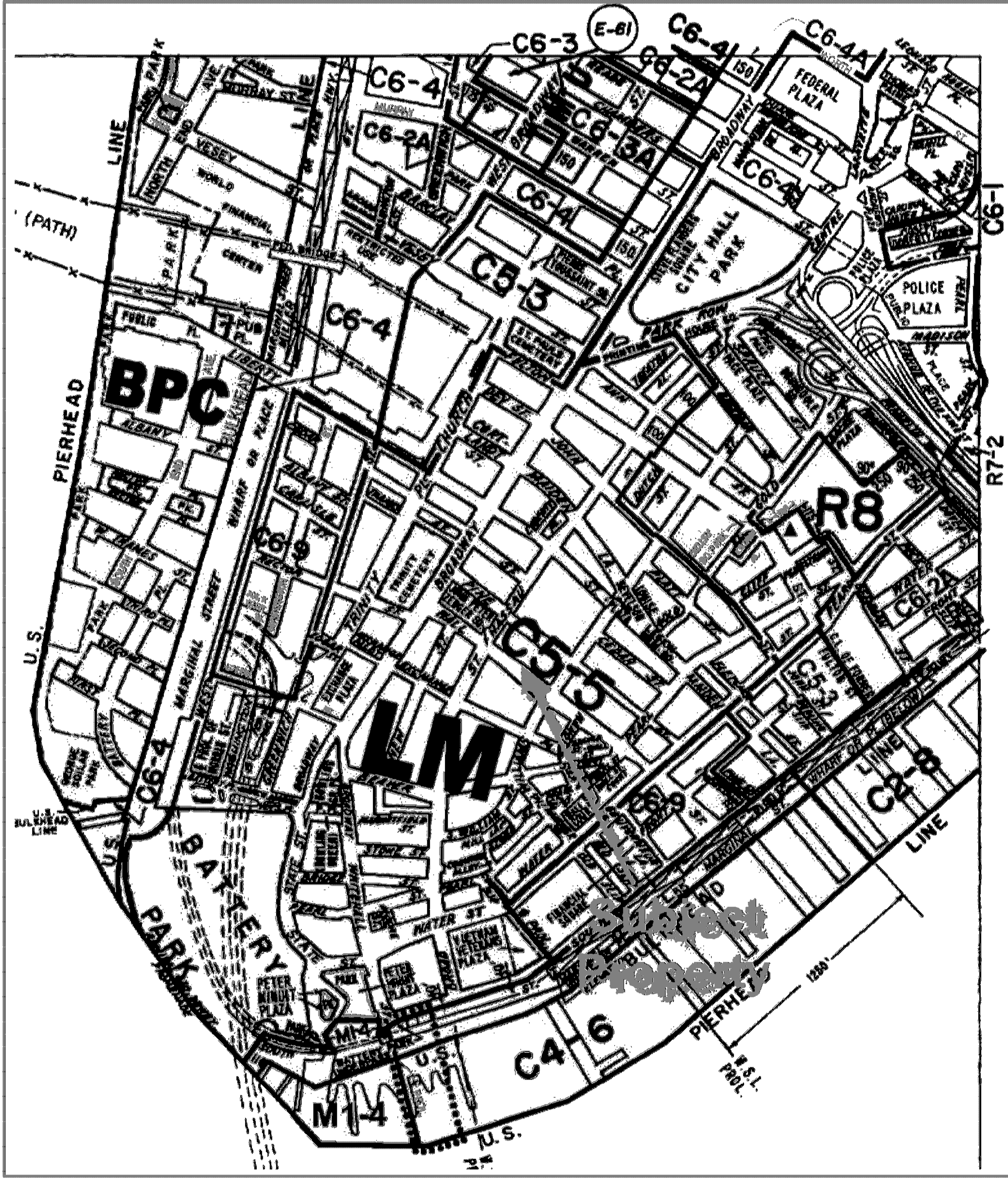
ZONING CONCLUSIONS

We are not experts in the interpretation of complex zoning ordinances but the property appears to be a pre-existing, legal, non-complying use based on our review of public information. According to the Zoning Resolution of the City of New York, a pre-existing, legal, non-complying use occurs when a building that was legal when built, no longer complies with one or more of the present district bulk regulations. Non-compliance results when a building does not comply with any one of such bulk regulations. Alternatively, a non-conforming use is any use legal at its inception (whether a building or a tract of land), which no longer conforms to any one or more of the present use regulations of the district. Non-conformity results when a use does not conform to any one of such applicable use regulations. The property appears to be a pre-existing, legal, non-complying use based on this definition. The determination of compliance is beyond the scope of a real estate appraisal.

OTHER RESTRICTIONS

We know of no deed restrictions, private or public, that further limit the subject property's use. The research required to determine whether or not such restrictions exist, however, is beyond the scope of this appraisal assignment. Deed restrictions are a legal matter and only a title examination by an attorney or title company can usually uncover such restrictive covenants. Thus, we recommend a title search to determine if any such restrictions do exist.

ZONING MAP


C6-3
E-61
C6-4
C6-4A
C6-2A
C6-3A
FEDERAL PLAZA
C6-1
(PATH)
C5-3
CITY HALL PARK
POLICE PLAZA
BPC
PIERHEAD
R7-2
R8
C6-9
C6-2
C5-5
C5-3
LM
C6-4
C2-8
BATTERY PARK
M1-4
C4-6
LINE
U.S.
Subject Property

HIGHEST AND BEST USE

HIGHEST AND BEST USE CRITERIA

The Dictionary of Real Estate Appraisal, Fifth Edition (2010), a publication of the Appraisal Institute, defines the highest and best use as:

> The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability.

To determine the highest and best use we have evaluated the subject site under two scenarios: as if vacant land and as presently improved. In both cases, the property's highest and best use must meet the four criteria described above.

HIGHEST AND BEST USE OF PROPERTY AS IF VACANT

LEGALLY PERMISSIBLE

The first test concerns permitted uses. According to our understanding of the zoning ordinance, noted earlier in this report, the site may legally be improved with structures that accommodate residential, office and general commercial uses. The land upon which the property was built is owned by the Port Authority of New York and New Jersey, which is not subject to the zoning laws of the City of New York. The site is surrounded by a mixture of residential, commercial, office, retail, hotel and uses. Mixed use developments, with retail at grade and office uses on the upper floors are consistent with the overall development of the area. We are not aware of any legal restrictions that limit the potential uses of the subject site.

PHYSICALLY POSSIBLE

The second test is what is physically possible. As discussed in the "Property Description," the site's size, soil, topography, etc. do not physically limit its use. The subject site is of adequate shape and size to accommodate almost all urban uses. The subject site contains 34,360 square feet of land on the north side of Wall Street throughblock to Pine Street between Nassau and William Streets. The size and configuration of the site are felt to provide a suitable land use and/or development potential for a large variety of possible and standard central business district-oriented land uses. Access and exposure are felt to be excellent for residential, office, commercial, retail and hotel uses. Municipal utilities would adequately provide for nearly all uses. Street improvements are also adequate. The size of the subject's portion of the site is large enough to attract established developers active in the market. Therefore, the physical characteristics of the subject site provide for a wide range of potential land uses.

FINANCIALLY FEASIBLE AND MAXIMALLY PRODUCTIVE

For a use to be seriously considered, it must have the potential to provide a sufficient return to attract investment capital over alternative forms of investment. A positive net income or acceptable rate of return would indicate that a use is financially feasible.

Financially feasible uses are those uses that can generate a profit over and above the cost of acquiring the site, and constructing the improvements. Determining the value of a property upon completion of new construction requires an in-depth analysis of the condition of the local market, the location of the subject property, the proposed use of the property, its tenancy, level of pre-leasing, an estimate for absorbing vacant space, leasing costs, operating expenses, market vacancy and rental rates.

Of the uses that are permitted, possible, and financially feasible, the one that will result in the maximum value for the property is considered the highest and best use. Determining which use is maximally productive is often straightforward, but can be quite complicated. Detailed analyses of values, costs, and returns will need to be conducted for the various uses being put to this final test.

We have considered possible land uses which would be financially feasible and which would produce the highest net return including residential, office, commercial, retail and hotel related uses. Several features of the subject property indicate that a mixed-use development with retail at grade and office uses on the upper floors is the highest and best use of the site. The subject is located within close proximity to prime Class A office buildings.

CONCLUSION

We have considered the legal issues related to zoning and legal restrictions. We have analyzed the physical characteristics of the site to determine what legal uses would be possible and have considered the financial feasibility of these uses to determine the use that is maximally productive.

Considering the subject site's physical characteristics and location, as well as the state of the local market, it is our opinion that the Highest and Best Use of the subject site as if vacant is multi-tenant office building development.

HIGHEST AND BEST USE OF PROPERTY AS IMPROVED

The Dictionary of Real Estate Appraisal defines highest and best use of the property as improved as:

> The use that should be made of a property as it exists. An existing improvement should be renovated or retained "as is" so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one.

In analyzing the Highest and Best Use of a property as improved, it is recognized that the improvements should continue to be used until it is financially advantageous to alter physical elements of the structure or to demolish it and build a new one.

LEGALLY PERMISSIBLE

As described in the Zoning Analysis section of this report, the subject site is zoned C5-5 Restricted Central Commercial District. The site is improved with a pre war 63-story Class A multi-tenant office property built in 1929. The property contains 1,165,207 square feet of net rentable area (1,061,266 square feet of gross building area). In the Zoning section of this appraisal, we determined that the existing improvements represent a non pre-existing, non-conforming use. We also determined that the existing use is a permitted use in this zone.

PHYSICALLY POSSIBLE

The subject improvements were constructed in 1929. We know of no current or pending municipal actions or covenants that would require a change to the current improvements.

FINANCIALLY FEASIBLE AND MAXIMALLY PRODUCTIVE

In the Reconciliation section, we concluded to a market value for the subject property, as improved, of $540,000,000. In our opinion, the improvements contribute significantly to the value of the site. It is likely that no alternate use would result in a higher return.

CONCLUSION

The property is being utilized within the context of its highest and best use. The subject property is considered a pre-war, Class A office building. It is our opinion that the highest and best use of the property is for its continued use as a commercial office building as it is currently developed.

VALUATION PROCESS

METHODOLOGY

There are three generally accepted approaches to developing an opinion of value: Cost, Sales Comparison and Income Capitalization. We have considered each in this appraisal to develop an opinion of the market value of the subject property. In appraisal practice, an approach to value is included or eliminated based on its applicability to the property type being valued and the quality of information available. The reliability of each approach depends on the availability and comparability of market data as well as the motivation and thinking of purchasers.

The valuation process is concluded by analyzing each approach to value used in the appraisal. When more than one approach is used, each approach is judged based on its applicability, reliability, and the quantity and quality of its data. A final value opinion is chosen that either corresponds to one of the approaches to value, or is a correlation of all the approaches used in the appraisal.

We have considered each approach in developing our opinion of the market value of the subject property. We discuss each approach below and conclude with a summary of their applicability to the subject property.

COST APPROACH

The Cost Approach is based on the proposition that an informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves relatively new improvements which represent the Highest and Best Use of the land; or when relatively unique or specialized improvements are located on the site for which there are few improved sales or leases of comparable properties.

In the Cost Approach, the appraiser forms an opinion of the cost of all improvements, depreciating them to reflect any value loss from physical, functional and external causes. Land value, entrepreneurial profit and depreciated improvement costs are then added, resulting in an opinion of value for the subject property.

SALES COMPARISON APPROACH

The Sales Comparison Approach uses sales of comparable properties, adjusted for differences, to estimate a value for the subject property. This approach typically uses a unit of comparison such as price per square foot of building area or effective gross income multiplier. When developing an opinion of land value the analysis is based on recent sales of sites of comparable zoning and utility, and the typical units of comparison are price per square foot of land, price per acre, price per unit, or price per square foot of potential building area. In both cases, adjustments are applied to the unit of comparison from an analysis of comparable sales, and the adjusted unit of comparison is then used to derive an opinion of value for the subject property.

The reliability of this approach is dependent upon (a) the availability of comparable sales data; (b) the verification of the sales data; (c) the degree of comparability; (d) the absence of non-typical conditions affecting the sales price.

INCOME CAPITALIZATION APPROACH

The Income Capitalization Approach first determines the income-producing capacity of a property by using contract rents on existing leases and by estimating market rent from rental activity at competing properties for the vacant space. Deductions are then made for vacancy and collection loss and operating expenses. The resulting net operating income is divided by an overall capitalization rate to derive an opinion of value for the subject property. The capitalization rate represents the relationship between net operating income and value. This method is referred to as Direct Capitalization.

Related to the Direct Capitalization Method is the Discounted Cash Flow Method. In this method periodic cash flows (which consist of net operating income less capital costs) and a reversionary value are developed and discounted to a present value using an internal rate of return that is determined by analyzing current investor yield requirements for similar investments.

The reliability of the Income Capitalization Approach depends upon whether investors actively purchase the subject property type for income potential, as well as the quality and quantity of available income and expense data from comparable investments.

SUMMARY

This appraisal employs the Sales Comparison Approach and the Income Capitalization Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that the Sales Comparison Approach and the Income Capitalization Approach would be considered meaningful and applicable in developing a credible value conclusion. The subject's age makes it difficult to accurately form an opinion of depreciation and tends to make the Cost Approach unreliable. Investors do not typically rely on the Cost Approach when purchasing a property such as the subject of this report. Therefore, we have not utilized the Cost Approach to develop an opinion of market value.

Analyzing each approach to value used in the appraisal concludes the valuation process. When more than one approach is used, each approach is judged based on its applicability, reliability, and the quantity and quality of its data. A final value opinion is chosen that either corresponds to one of the approaches to value, or is a correlation of all the approaches used in the appraisal.

GROUND LEASE ANALYSIS

40 Wall Street is subject to a ground lease, which has been summarized as follows:

GROUND LEASE ABSTRACT

Landlord: 40 Wall Limited Partnership and New Scandic Wall Limited Partnership

Tenant: 40 Wall Street LLC

Date of Lease: November 30, 1995

Lease Commencement Date: November 30, 1995

Lease Expiration Date: April 30, 2059

Rent Commencement Date: November 30, 1995

Fixed Rent:

Term	Begin	End	Annual
Base	01/01/2008	12/31/2012	$1,500,000.00
Base	01/01/2013	12/31/2017	$1,650,000.00
Base	01/01/2018	12/31/2019	$1,815,000.00
Base	01/01/2020	12/31/2022	$2,315,000.00
Base	01/01/2023	12/31/2027	$2,546,500.00
Base	01/01/2028	12/31/2032	$2,801.150.00
Base	01/01/2033	04/30/2059	See notes

Base Rent Notes: Landlord shall, by written notice to Tenant during the six months prior to January 1, 2033 and each 25 years thereafter, require valuation of the land (considered as vacant and unimproved but with the right to construct a 900,000 SF building thereon for (x) office purposes, and (b) retail (i) on the ground floor or (ii) elsewhere in the building where it existed at any time during the five (5) year period prior to the applicable date of valuation. Net rent shall equal to 6.0% of the Value or 85.0% of the net rent payable in the immediately preceding 12 month period which shall be greater.

Rent Changeover Day: On the first day of each calendar month during the term of the lease.

Renewal Option: Tenant shall have the option to renew the term of the lease for an additional 67 and ½ years, to commence on 05/01/2059 and expire on 10/31/2126, by giving written notice to Landlord not later than 10/31/2057. In the event Tenant shall have exercised the renewal option Tenant shall have a second renewal option for a period of 80 years and two (2) months, to commence on 11/01/2126 and expire on 12/31/2206, to be exercised by giving written notice to Landlord not later than 04/30/2125.

Repairs and Maintenance:	Tenant, at its sole cost and expense, which as to the nature, character, quality and quantity thereof, are of the standard which is appropriate for buildings of similar construction and class and will take good care of the Building (including the fixtures and facilities therein), and the sidewalks, driveways and curbs adjoining the Building and will maintain and keep the same in good order and condition, and make all necessary repairs thereto, interior and exterior, structural and non-structural, ordinary and extraordinary, and foreseen and unforeseen.
Alterations:	Tenant shall have the right at any time and from time to time during the term of the lease to make, at its cost and expense, changes, alterations, renovations, restorations, improvements or rebuildings in or of the Land and Building.
Impositions:	Tenant shall pay, before any fine, penalty, interest or cost may be added thereto, or become due or be imposed by operation of law for the non-payment thereof, all taxes, assessments, water and sewer rents, rates and charges, transit taxes, charges for public utilities; excises, levies, license and permit fees and other governmental charges, general and special, ordinary and extraordinary, unforeseen and foreseen, of any kind and nature whatsoever which at any time prior to or during the term of the lease may be assessed, levied, confirmed, imposed upon, or grow or become due and payable out of or in respect of, or become a lien on, (i) the Premises or any part thereof or any appurtenances thereto, (ii) the rent, income or other payments received by Tenant or anyone claiming by, through or under Tenant, (iii) any use or occupation of the Premises, (iv) such franchises as may be appurtenant to the use of the Premises and (v) transaction, or any document to which Tenant is a party, creating or transferring an interest or estate in the Premises (all such taxes, assessments, water and sewer rents, transit taxes, rates and charges, charges for public utilities, excises, levies, license fees and other governmental charges being hereinafter referred to as "Impositions").
Insurance:	Tenant shall maintain.
Condemnation:	**Total Taking:** If at any time during the term of the lease title to the whole or substantially all of the Premises shall be taken by the exercise of the right of condemnation or eminent domain or by agreement between Landlord, Tenant, and those authorized to exercise such right, the lease shall terminate and expire on the date of such taking and the net rent provided to be paid by Tenant shall be apportioned and paid to the date of such taking. In such event, prepaid Impositions will be apportioned only to the extent refunds thereof are actually collected by Landlord, and, if uncollected, Landlord will assign to Tenant any claim to recover such prepaid Impositions. For the purposes of the Section "substantially all of the Premises" shall be deemed to have been taken if the portion of the Premises not so taken, and taking into consideration the amount of the net award available for such purpose, cannot be so repaired or reconstructed as to constitute a complete, rentable structure capable of producing a proportionately fair and reasonable net annual income, after the payment of all operating expenses thereof, the net rent, as the same may be reduced as a result of such taking, additional rent and other charges herein reserved and after performance of all covenants, agreements, terms and provisions herein and by law provided to be performed and paid by Tenant. The determination as to what constitutes a fair and reasonable net annual income shall be governed by the average

net annual income produced by the property during the five year period immediately preceding such taking. As used above, the term "operating expenses" shall be deemed to exclude depreciation, income taxes, franchise taxes, interest and amortization on any Leasehold Mortgage.

In the event of the taking of the whole or substantially all of the Premises, the proceeds of any award received by Landlord for land, buildings, improvements and damages upon any such taking, shall be paid as follows and in the following order of priority:

(i) First, to each of the parties on account of their respective reasonable costs of collection of the award; second, to Landlord, the sum of $12,000,000, which sum shall be increased (but never decreased) by the same percentage increase in the net annual rent when determined at each determination of Value, third, to the holders of all Leasehold Mortgages, in order of their seniority, the outstanding amount of their respective Leasehold Mortgages; fourth, to Tenant to the extent that the then depreciated value of any improvements to the Premises made by Tenant shall exceed the amount paid to the holders of Leasehold Mortgages; then, the balance shall be divided between Landlord and Tenant in accordance with the value attributed to their respective interests after giving effect to the sums paid to Landlord and the holders of all Leasehold Mortgages.

(ii) If the value of the unexpired portion of Tenant's leasehold estate shall be determined in the proceeding pursuant to which the Premises shall' have been taken, the value so determined shall be conclusive upon Landlord and Tenant. If such value shall not have been separately determined in such proceeding, such value shall be fixed by agreement between Landlord and Tenant or by appraisal pursuant to the provisions of the lease.

Partial Taking: If at any time during the term of the lease title to less than the whole or substantially all of the Premises shall be taken as aforesaid, all of the award or awards collected by Landlord or the depositary designated of the lease shall be held by Landlord or, at Tenant's option, by the depositary designated, and applied and paid over toward the cost of demolition, repair and restoration, substantially in the same manner and subject to the same conditions as those provided hereof with respect to insurance and other monies. Any balance remaining in the hands of Landlord or the depositary, after payment of such costs of demolition, repair and restoration as aforementioned, shall be retained by Landlord and the net rent adjusted as provided. In the event that the costs of such demolition, repairs and restoration shall exceed the net amount collected by Landlord or the depositary, Tenant shall pay the deficiency. If title to less than the whole or substantially all of the Demised Premises shall be taken as aforesaid, this lease shall continue, but the net rent thereafter payable by Tenant shall be apportioned and reduced from the date of each such partial taking by an amount equal to 6.0% per annum of any net award or awards ultimately received and retained by Landlord. Any net rent becoming due and payable hereunder between the date of any such partial taking and the date of determination of the amount of the rent reduction, if any, to be made in respect hereof shall be paid at the rate theretofore payable hereunder; provided, however, that after such determination Landlord, within 10 days after request, shall pay to Tenant an amount equal to the amount by which any net rent theretofore paid by Tenant for such 'period shall exceed the amount of the net rent for such period as so reduced or Tenant, at its election, may deduct such amount from any subsequent installment or installments of net rent payable hereunder.

Temporary Taking: If the temporary use of the Whole or any part of the Premises shall be taken by any lawful power or authority, by the exercise of the right of condemnation or eminent domain, or by agreement between Tenant and those authorized to exercise such right. Tenant shall give prompt notice thereof to Landlord, the term of the lease shall not be reduced or affected in any way, Tenant shall continue to pay in full the net rent, additional rent and other charges herein reserved, without reduction or abatement, and Tenant shall be-entitled to receive for itself any award or payment made for such use provided, however, that (a) if the taking is for a period not extending beyond the term of the lease and if such award or payment is made in a lump sum, then a portion thereof equal to the net rent and estimated Impositions payable during the term of such temporary taking shall be paid to and held by Landlord or, at Tenant's option, a depositary designated, as a fund which Landlord or such depositary shall apply from time to time to the payment of net rent and Impositions due from Tenant under the terms of the lease, except that, if such taking results in changes or alterations in the Building which would necessitate an expenditure to restore the Building to its former condition, then a portion of such award or payment estimated by Tenant, in its reasonable judgment, as appropriate to cover the expenses of such restoration, subject, however, to the approval of Landlord, which approval shall not be unreasonably withheld or delayed, shall not be applied to such payments but instead shall be applied and paid over toward the restoration of the Building to its former condition, substantially in the same manner and subject to the same conditions hereof with respect to insurance and other monies, or (b) if the taking is for a period extending beyond the term of the lease, such award or payment shall be apportioned between Landlord and Tenant as of the stated expiration date of such term; Tenant's share thereof shall, if paid in a lump sum, be paid and applied in accordance with the provisions of the Section, provided, however, that the amount of any award or payment allowed or retained for restoration of the Building, shall remain the property of Landlord if the lease shall expire prior to the commencement of restoration of the Building to its former condition. Tenant shall be entitled to receive at the close of each year of any such taking, any surplus remaining of said award or awards, after making provision for all payments required pursuant to paragraphs (a) and (b) of the Section. In the case of any taking covered by the provisions of the Article, Landlord and Tenant shall be entitled to reimbursement from any award or awards of all reasonable costs, fees and expenses incurred in the determination and collection of any such awards, prior' to the disbursement of any other portions of such award.

Use:	Tenant shall use the Premises for any lawful uses.
Estoppel:	At any time and from time to time on at least 20 days prior written notice by either party.
Default:	**Monetary:** 20 days after written notice from Landlord to Tenant. **Non-Monetary:** 60 days after written notice thereof from Landlord to Tenant.
Assignment/Subletting:	Tenant shall have the unrestricted right, at any time and from time to time without Landlord's consent, to assign the Lease, and its leasehold estate, and to transfer its interest in the Land and Building, or any interest therein whole or in part, to mortgage, pledge or hypothecate the lease, to execute and deliver one or more mortgages or a

deed of trust encumbering the Lease and to assign, pledge or hypothecate Tenant's interest in any sublease and sub rents and shall mortgage the lease up to 85.0% of FMV, sublet portions of or all of the Premises as an entirety for occupancy at least 50.0% of the Premises and not further subletting.

Purchase Option:	If Landlord shall determine to offer for sale all of the fee interest in the Premises, Landlord shall first offer such fee interest to Tenant at the all-cash price at which the Landlord would offer same to the third parties. Tenant shall have the right to purchase the fee interest by giving notice to Landlord thereof within 30 days after the date of the giving notice of such offer to Landlord. If Tenant shall fail to give notice or shall reject such offer, all of the tenant's right shall expire on the 30th day after the giving of such notice by Landlord.
Vault Space:	Tenant shall occupy and use the same during the term of the lease, subject to such laws, permits, rules and regulations as may be imposed by appropriate governmental authorities with respect thereto. No revocation on the part of any governmental department or authority of any license or permit to maintain and use any such vault shall in any way affect the lease or the amount of the rent or any other charge payable by Tenant. If any such license or permit shall be revoked, Tenant will, at its sole cost and expense, do and perform all such work as may be necessary to comply with any order revoking the same.

Notice:	**Landlord:**	**Tenant:**
	40 Wall Limited Partnership and New Scandic Wall Limited Partnership	725 Fifth Avenue,
	c/o Walter J. Hinneberg, GMBH & Co. KG,	New York, NY10022
	Ballindamn 17, 20095, Hamburg, Germany.	Attn: Donald J. Trump
	Attn: Christian Hinnenberg	With a copy to
	With a copy to	Kramer, Levin, Naftalis, Nessen, Kamin & Frankel,
	Jenkens & Gilchrist Parker Chapin LLP,	919 Third Avenue,
	The Chrysler Building, 405 Lexington Avenue,	New York, NY 10022,
	New York, NY 10174	Attn: Jay A. Neveloff, Esq.
	Attn: Elliot Cohen, Esq.,	
	and	
	Joachim von Grumme, Avenue Louis Berlaimont 20, B 1160,	
	Brussels, Belgium	

GROUND LEASE SUMMARY

40 Wall Street is subject to a ground lease that commenced in November 30, 1995 and expires in April 30, 2059. There are two renewal options that can be exercised for a period of sixty seven and one half years (67 and ½) to commence on May 1, 2059 to October 31, 2126 and 2nd option commencing on November 1, 2126 to April 30, 2194. Including the renewal options, the remaining term of the ground lease is 191 years and 1 month.

As stated, the subject's ground lease payments currently total $1,650,000 with subsequent set increases through 2032. In 2033 the lease payments are revalued to the greater of either; (a) 6.0% the then value of the land considered as vacant and unimproved but with the right to construct a 900,000 square foot office building with grade retail; or, (b) 85.0% of the then lease payments.

In our analysis we have assumed the 900,000 square feet as the basis of our determination of land value. The ground lease evaluation clause refers to gross square feet. In order to determine the land value, it is appropriate to convert the gross building area to the corresponding zoning floor area. We have estimated that 900,000 square feet of gross building area utilizes 810,000 square feet of zoning floor area. Mechanical areas, stairwells, elevator shafts, and ventilation shafts do not count towards zoning floor area. These areas typically range from five to ten percent for newer office buildings and 5 to 15 percent of older office buildings. We have assumed a 10 percent mechanical deduction in our estimation of zoning floor area for the development. Therefore, we have utilized 810,000 square feet of zoning floor area as the basis for our analysis.

In the Land Valuation section of the report we determine the estimated land value, subject to the ground lease restriction, as $160,000,000 as of June 1, 2015, which we inflated at an annual inflation amount of 3.00 percent through January 1, 2033, the next ground rent reset event. Therefore, our estimated prospective land value January 1, 2033, is $272,389,290, which results in a first fixed rent reset of $16,343,357 (based on a 6.0 percent FMV).

ASSUMPTIONS AND CALCULATIONS				
Year		LAND VALUE		MKT. GROUND RENT (RESET) 6.00000%
1	$	160,000,000	$	9,600,000
2	$	164,800,000	$	9,888,000
3	$	169,744,000	$	10,184,640
4	$	174,836,320	$	10,490,179
5	$	180,081,410	$	10,804,885
6	$	185,483,852	$	11,129,031
7	$	191,048,367	$	11,462,902
8	$	196,779,818	$	11,806,789
9	$	202,683,213	$	12,160,993
10	$	208,763,709	$	12,525,823
11	$	215,026,621	$	12,901,597
12	$	221,477,419	$	13,288,645
13	$	228,121,742	$	13,687,305
14	$	234,965,394	$	14,097,924
15	$	242,014,356	$	14,520,861
16	$	249,274,787	$	14,956,487
17	$	256,753,030	$	15,405,182
18	$	264,455,621	$	15,867,337
19	$	272,389,290	$	16,343,357

FUTURE GROUND LEASE PAYMENTS

The following chart summarizes the contractual ground lease payments, which are utilized in the Discounted Cash Flow Analysis (that follows in the Income Capitalization Approach), are summarized on the following chart.

40 WALL STREET - GROUND LEASE PAYMENTS							
LEASE DATE	LEASE FISCAL YEAR	LEASE BASE RENT	REMAINING TERM	ANALYSIS START DATE	ANALYSIS END DATE	ANALYSIS FISCAL YEAR	FISCAL PAYABLE RENT
01/01/2015	2016	$1,650,000	1	06/01/2015	05/31/2016	2016	$1,650,000
01/01/2016	2017	$1,650,000	2	06/01/2016	05/31/2017	2017	$1,650,000
01/01/2017	2018	$1,650,000	3	06/01/2017	05/31/2018	2018	$1,718,750
01/01/2018	2019	$1,815,000	4	06/01/2018	05/31/2019	2019	$1,815,000
01/01/2019	2020	$1,815,000	5	06/01/2019	05/31/2020	2020	$2,023,333
01/01/2020	2021	$2,315,000	6	06/01/2020	05/31/2021	2021	$2,315,000
01/01/2021	2022	$2,315,000	7	06/01/2021	05/31/2022	2022	$2,315,000
01/01/2022	2023	$2,315,000	8	06/01/2022	05/31/2023	2023	$2,411,458
01/01/2023	2024	$2,546,500	9	06/01/2023	05/31/2024	2024	$2,546,500
01/01/2024	2025	$2,546,500	10	06/01/2024	05/31/2025	2025	$2,546,500
01/01/2025	2026	$2,546,500	11	06/01/2025	05/31/2026	2026	$2,546,500
01/01/2026	2027	$2,546,500	12	06/01/2026	05/31/2027	2027	$2,546,500
01/01/2027	2028	$2,546,500	13	06/01/2027	05/31/2028	2028	$2,652,604
01/01/2028	2029	$2,801,150	14	06/01/2028	05/31/2029	2029	$2,801,150
01/01/2029	2030	$2,801,150	15	06/01/2029	05/31/2030	2030	$2,801,150
01/01/2030	2031	$2,801,150	16	06/01/2030	05/31/2031	2031	$2,801,150
01/01/2031	2032	$2,801,150	17	06/01/2031	05/31/2032	2032	$2,801,150
01/01/2032	2033	$2,801,150	18	06/01/2032	05/31/2033	2033	$8,443,736
01/01/2033	2034	$16,343,357	19	06/01/2033	05/31/2034	2034	$16,343,357
01/01/2034	2035	$16,343,357	20	06/01/2034	05/31/2035	2035	$16,343,357

LAND VALUATION (SUBJECT TO REQUIREMENTS OF THE GROUND LEASE)

We used the Sales Comparison Approach to develop an opinion of land value subject to the requirements of the ground lease.

In the Zoning section of the report we estimated the subject property's zoning floor area is 515,400 square feet. This constitutes the zoning floor area before mechanical bonuses and increases based upon a particular design. Architects typically devise programming schedules, which increase the gross building area somewhat.

However, according to the terms of the ground lease the Fair Market Property Value is based on the owner's ability to construct 900,000 square foot office building with grade retail. The ground lease evaluation clause refers to gross square feet. In order to determine the land value, it is appropriate to convert the gross building area to the corresponding zoning floor area. We have estimated that 900,000 square feet of gross building area utilizes 810,000 square feet of zoning floor area. Mechanical areas, stairwells, elevator shafts, and ventilation shafts do not count towards zoning floor area. These areas typically range from five to ten percent for newer office buildings and 5 to 15 percent of older office buildings. We have assumed a 10 percent mechanical deduction in our estimation of zoning floor area for the development. Therefore, we have utilized 810,000 square feet of zoning floor area as the basis for our analysis.

In this method, we analyzed prices buyers have recently paid for similar sites in the market, as well as examined current offerings. In making comparisons, we adjusted the sale prices for differences between this site and the comparable sites. If the comparable was superior to the subject, a downward adjustment was made to the comparable sale. If inferior, an upward adjustment was made. We present on the following pages a summary of pertinent details of sites recently sold that we compared to the subject site.

Using the Sales Comparison Approach, we developed an opinion of value by comparing the subject property to similar, recently sold properties in the surrounding or competing area. This approach relies on the principle of substitution, which holds that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution.

By analyzing sales that qualify as arm's-length transactions between willing and knowledgeable buyers and sellers, we can identify value and price trends. The basic steps of this approach are:

- Research recent, relevant property sales and current offerings in the competitive area;
- Select and analyze properties that are similar to the subject property, analyzing changes in economic conditions that may have occurred between the sale date and the date of value, and other physical, functional, or locational factors;
- Identify sales that include favorable financing and calculate the cash equivalent price;
- Reduce the sale prices to a common unit of comparison such as price per unit or effective gross income multiplier;
- Make appropriate comparative adjustments to the prices of the comparable properties to relate them to the subject property; and
- Interpret the adjusted sales data and draw a logical value conclusion.

In the valuation of the subject site's fee simple interest, the Sales Comparison Approach has been used to establish prices being paid for comparably zoned land. The most widely used and market oriented unit of comparison for properties with characteristics similar to those of the subject is the sale price per square foot of zoning floor area (ZFA). All transactions used in this analysis are analyzed on this basis.

The major elements of comparison used to value the subject site include the property rights conveyed, the financial terms incorporated into the transaction, the conditions or motivations surrounding the sale, changes in market conditions since the sale, the location of the real estate, its utility and the physical characteristics of the property.

DISCUSSION OF COMPARABLE SALES

PROPERTY RIGHTS CONVEYED

The property rights conveyed in a transaction typically have an impact on the sale price of a property. Acquiring the fee simple interest implies that the buyer is acquiring the full bundle of rights. Acquiring a leased fee interest typically means that the property being acquired is encumbered by at least one lease, which is a binding agreement transferring rights of use and occupancy to the tenant. A leasehold interest involves the acquisition of a lease, which conveys the rights to use and occupy the property to the buyer for a finite period of time.

At the end of the lease term, there is typically no reversionary value to the leasehold interest. Since we are valuing the fee simple interest as reflected by each of the comparables, an adjustment for property rights is not required.

FINANCIAL TERMS

The financial terms of a transaction can have an impact on the sale price of a property. A buyer who purchases an asset with favorable financing might pay a higher price, as the reduced cost of debt creates a favorable debt coverage ratio. A transaction involving above-market debt will typically involve a lower purchase price tied to the lower equity returns after debt service. We analyzed all of the transactions to account for atypical financing terms. To the best of our knowledge, all of the sales used in this analysis were accomplished with cash or market-oriented financing. Therefore, no adjustments were required.

CONDITIONS OF SALE

Adjustments for conditions of sale usually reflect the motivations of the buyer and the seller. In many situations the conditions of sale may significantly affect transaction prices. However, all sales used in this analysis are considered to be "arms-length" market transactions between both knowledgeable buyers and sellers on the open market. Therefore, no adjustments were required.

MARKET CONDITIONS

The sales that are included in this analysis occurred between August 2011 and August 2013. We have made a positive adjustment for the improving market conditions at a rate of 15.0 percent per annum.

LOCATION

An adjustment for location is required when the locational characteristics of a comparable property differ from those of the subject property. Location adjustments were intended to reflect differences with regard to the character of the avenue or street, proximity to transportation, desirability with regard to location (reputation of the surrounding buildings), and trends in future growth or decline. We have made a negative adjustment to those comparables considered superior in location versus the subject. Conversely, a positive adjustment was made to those comparables considered inferior.

SIZE (ZONING FLOOR AREA)

The adjustment for size generally reflects the inverse relationship between unit price and lot size. Smaller lots tend to sell for higher unit prices than larger lots, and vice versa. This adjustment is based on the zoning floor area and not the physical site size. This comparison is common given the vertical nature and density of New York City. Positive adjustments are made to sites that yield a larger zoning floor area, and downward adjustments are made to sites that yield a smaller amount of zoning floor area. Each comparable was adjusted accordingly.

ZONING

Many factors of zoning dictate the resultant use, density and design of a development. Density regulations are determined not only by Floor Area Ratios, but by height limitations, mandatory street wall setbacks, rear yard setbacks and requirements for retail continuity or pedestrian access. Wide streets in the Manhattan core, as well as corner locations, tend to improve utility for developers. The presence of subway stations, while very beneficial for locational attributes, also result in developers needing to be cognizant of subway tunnels that traverse across or along a site, as the protection of tunnels is an added cost of development.

The zoning adjustment also considers features, such as setback regulations, height restrictions, open space requirements, lot coverage requirements, and the potential use groups available for a particular site. The subject property is commercially zoned (C5-5) which permits a tower to be developed. Each comparable has been adjusted accordingly.

UTILITY

The adjustment for utility is intended to reflect differences in a plot's development potential in regard to access, frontage, and visibility. Mid-block sites and sites within areas with height limitations have inferior utility. Utility adjustments consider soil/sub-soil conditions to the extent known. Given its overall physical characteristics and zoning, the subject site is considered adequate to accommodate most permitted development possibilities. We have considered all of these factors in our adjustment process and made adjustments as appropriate. Each comparable was adjusted accordingly.

CONFIGURATION

An adjustment for configuration was intended to reflect differences with regard to plots, which were more irregular in shape versus plots which were more square or rectangular. It also considers frontage to depth ratios and perimeter areas. Configuration affects the shape of the prospective building's floor plate and is an important factor for developers and investors. Given the size and shape of the of the subject site, it offers a developer a good level of flexibility in design features. Each comparable was adjusted accordingly.

OTHER

This category accounts for any other adjustments not previously discussed. Examples include soil or slope conditions, restrictive zoning, easements, wetlands or external influences. No other adjustments have been made. After our analysis of the sales, a downward adjustment of 20 percent was made to all the land sales since the subject's ground lease specifies the site developable area of 810,000 square foot of zoning floor area, which would be required to build a 900,000 square foot office building, which is contrary to Highest and Best Use of the subject site as if vacant of multi-tenant office building development.

DISCUSSION OF COMPARABLE SALES

On the following pages we present a summary of the land sales that we compared to the subject property and an adjustment grid.

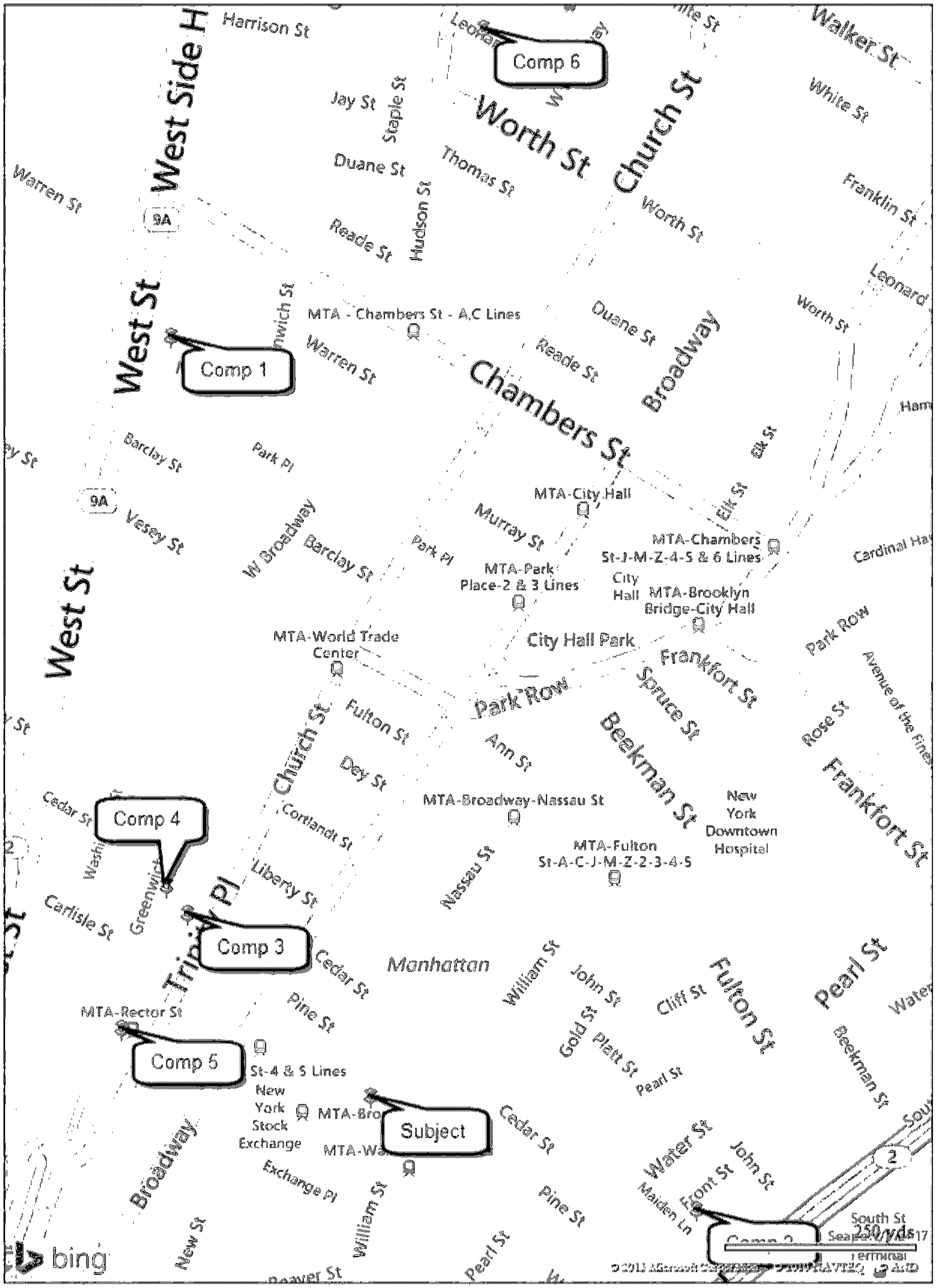
SUMMARY OF COMPARABLE LAND SALES NEW YORK CITY									
No.	Location	Sale Date	Consideration	Grantor / Grantee	Lot Size (SF)	Zoning	FAR	Max Bldg. Area (SF)	Unit Price/ZFA
1	**101 Murray Street** N/E/C West Street Tribeca, Manhattan	Aug-13	$226,650,000	St John's University / Henry V Murray Senior, LLC	31,028	C6-4	10.00	310,280	$730.47
	Sale of an irregular shaped parcel located at the northeast corner of West and Murray Streets. The property possesses 176.10 feet of frontage along West Street and 225 feet of frontage along Murray Street. At the time of sale, there was an existing 145,525 square foot building on the site that was assumed to be demolished. We have estimated demolition costs of $25 per square foot. With the inclusion of the plaza bonus, the maximum zoning floor area would be 372,336 square feet and the price per square foot of zoning floor area would be $598.92. As-of-right, the site contains a total of 310,280 square feet of zoning floor area.								
2	**151-161 Maiden Lane** B/w Front & South Streets Downtown, Manhattan	Aug-13	$64,000,000	Maiden Lane Development LLC / FPG Maiden Lane, LLC c/o Fortis Property Group	11,539	C5-3/LM	21.60	249,242	$256.78
	Sale of two contiguous lots located on a through block parcel bounded by Maiden Lane, South, Fletcher and Front Streets. At the time of sale, the site was utilized as a parking lot. The previous owner acquired an additional 76,157 square feet of air rights from 205 and 207 Front Street in June 2007. The buyer reportedly intends to construct a mixed-use retail, residential and hotel development on the property.								
3	**22 Thames Street** S/E/C Greenwich Street Downtown, Manhattan	Sep-12	$87,300,000	Henry II Thames LLC / 22 Thames Street LLC	9,086	C5-5/LM	15.00	358,990	$243.18
	Sale of a through block corner parcel located at the southeast corner of Greenwich and Thames Street, across from the World Trade Center site. The parcel is currently improved with a vacant 10-story, 89,840 square foot Class C office loft building that is in poor condition. The existing improvements have reportedly been vacant since 2008 when the American Stock Exchange (AMEX) was closed. Based on the Max FAR of 15, the site contains a maximum zoning floor area of 136,290 square feet. Furthermore, the subject property also includes 222,700 square feet of zoning floor area (ZFA) from excess development rights associated with adjacent landmark former AMEX building at 86 Trinity Place. Overall, the subject site contains a total of 358,990 square feet of zoning floor area (ZFA). The buyer, Fisher Brothers, has proposed a 20-story, luxury residential building for development on the site.								

SUMMARY OF COMPARABLE LAND SALES
NEW YORK CITY

No.	Location	Sale Date	Consideration	Grantor / Grantee	Lot Size (SF)	Zoning	FAR	Max Bldg. Area (SF)	Unit Price/ZFA
4	**133 Greenwich Street** N/E/C Thames Street Downtown, Manhattan	Mar-12	$27,900,000	Greenwich Thames Realty LLC/ Hidrock Realty	6,109	C5-5/LM	21.49	131,276	$212.53
	Sale of a vacant parcel located at the northeast corner of Thames Street and Greenwich Street. The site has a zoning lot merger with an adjacent parcel (lot 10) that allows for a higher density as the unused development rights are available to this property. The merged zoning lot contains a total of 131,276 square feet of zoning floor area. Hidrock's Realty's partner in the deal is Robert Finvarb Cos. The JV partners plan to spend approximately an additional $70 million to develop a 320-key, 28-story hotel, which is expected to be completed in 2015. The prior owner of the site, Greenwich Street Developers, LLC, filed for bankruptcy in September 2009. The contract grantor, Greenwich Thames Realty LLC, acquired the site from Greenwich Street Developers LLC through a court ordered auction that was held on August 20, 2010. The purchase price was $19.6 million and the transaction closed in November 2010.								
5	**50 Trinity Place** N/W/C Rector Street Downtown, Manhattan	Feb-12	$15,000,000	McSam Hotel Group / Trinity NYC Hotel LLC (Ivan Hakimian, HPNY)	3,885	C5-5/LM	18.61	72,306	$207.45
	Sale of a vacant parcel on the northwest corner of Trinity Place and Rector Street. The site contains 3,885 square feet with a maximum zoning floor area as of right of 56,370 square feet. The seller acquired 15,936 square feet of air rights from adjacent lot 21 in 2009. The total zoning floor area for the site is 72,306 square feet. The grantee, Ivan Hakimian of HPNY, has proposed to develop a 197-room hotel. As of the date of value, construction on the site has not yet begun.								
6	**11-15 Leonard Street** B/w W. Broadway and Hudson Street Tribeca, Manhattan	Aug-11	$10,143,800	Clark Construction / Tribeca Development Partners	5,819	C6-2A	6.02	35,030	$289.57
	Sale of an irregularly shaped development site located along Leonard Street between Broadway and Hudson Street in the TriBeCa neighborhood of Downtown Manhattan. At the time of the sale the site was improved with two 1-story garages. These buildings total 5,752 square feet of gross building area. We have estimated $25 per square foot in demolition cost for the existing gross building area. The buyer, developer Steven Schnall, received approval from the Landmarks Preservation Commission (LPC) to develop a 7-story residential condominium building on the site. As of the date of value, construction has not begun on the project.								

STATISTICS	Consideration	Lot Size (SF)	Max Bldg. Area (SF)	Unit Price/ZFA
LOW	$10,143,800	3,885	35,030	$207.45
HIGH	$226,650,000	31,028	358,990	$730.47
MEAN	$71,832,300	11,244	96,589	$323.33
MEDIAN	$45,950,000	7,598	17,880	$249.98

LAND COMPARABLE MAP



COMPARABLE LAND SALE NO. 1

This is the sale of a development site located at 101 Murray Street on the northeast corner of West Street in the Tribeca neighborhood of Downtown Manhattan. St. John's University sold this property to Henry V Murray Senior, LLC in August 2013 for a total consideration of $226,500,000, inclusive of demolition costs. The site is 31,028 square feet and irregular in shape. The site has 176.10 feet of frontage on West Street and 225 feet of frontage along Murray Street. At the time of sale, there was a 145,525 square foot building on the site. We have estimated demolition costs of $25 per square foot, or $3,500,000, rounded. The site is located in a C6-4 zoning district, which has a maximum floor area ratio of 10.00. The site has a maximum zoning floor area of 310,280 square feet. Based on the maximum zoning floor area, the sale price develops an unadjusted unit price of $730.47 per square foot of ZFA.

COMPARABLE LAND SALE NO. 2

This is the sale of a development site located at 151-161 Maiden Lane on the throughblock parcel bounded by Maiden Lane, South, Fletcher and Front Streets in Downtown Manhattan. In August 2013, FPG Maiden Lane, LLC in care of Fortis Property Group purchased the property from Maiden Lane Development LLC in August 2013 for $64,000,000. At the time of sale, the site was utilized as a parking lot. The site was previously purchased in December 2010 from its previous owner, LH Maiden Realty LLC, who acquired an additional 76,157 square feet of air rights from 205 and 207 Front Street in June 2007. The buyer reportedly intends to construct a mixed-use retail, residential and hotel development on the property. Overall, the site contains a total of 249,242 square feet of zoning floor area (ZFA). Based on the maximum zoning floor area, the sale price develops an unadjusted unit price of $256.78 per square foot of ZFA.

COMPARABLE LAND SALE NO. 3

This is the sale of a development site located at 22 Thames Street on the southeast corner of Greenwich Street in the Financial District of Downtown Manhattan. In September 2012, 22 Thames Street LLC (Fisher Brothers) purchased the property from Henry II Thames LLC for a total consideration of $87,300,000, inclusive of demolition costs. The throughblock corner parcel is located across from the World Trade Center site. At the time of sale, the parcel was improved with a vacant 10-story, 89,840 square foot Class C office loft building that was in poor condition. The existing improvements have reportedly been vacant since 2008 when the American Stock Exchange (AMEX) was closed. We have estimated demolition costs of $25 per square foot, or $2,300,000, rounded. The site contains a maximum zoning floor area of 136,290 square feet. Furthermore, the property also includes 222,700 square feet of zoning floor area (ZFA) from excess development rights associated with adjacent landmark former AMEX building at 86 Trinity Place. Overall, the site contains a total of 358,990 square feet of zoning floor area (ZFA)., the sale price develops an unadjusted unit price of $243.18 per square foot of ZFA.

COMPARABLE LAND SALE NO. 4

This is the sale of a development site located at 133 Greenwich Street on the northeast corner of Thames Street in the Financial District. In March 2012, Hidrock Realty purchased the property from Greenwich Thames Realty LLC for a total consideration of $27,900,000. At the time of the sale the parcel was vacant and has a zoning lot merger with an adjacent parcel (lot 10). The merged zoning lot contains a total of 131,276 square feet of zoning floor area. Hidrock's Realty partner in the deal is Robert Finvarb Cos. The grantee plans to spend approximately $70 million to develop a 320-key, 28-story hotel, which is expected to be completed in 2015. As of the date of value, construction has not yet begun on the site.

The prior owner of the site, Greenwich Street Developers, LLC, filed for bankruptcy in September 2009. The grantor, Greenwich Thames Realty LLC, acquired the site from Greenwich Street Developers LLC through a court ordered auction that was held on August 20, 2010. The purchase price was $19.6 million and the transaction closed in November 2010. Based on the maximum zoning floor area, the sale price develops a unit price of $212.53 per square foot of ZFA.

COMPARABLE LAND SALE NO. 5

This is the sale of a development site located at 50 Trinity Place on the northwest corner of Rector Street in the Financial district of Downtown Manhattan. In January 2012, Trinity NYC Hotel LLC purchased the property from McSam Hotel Group for a total consideration of $15,000,000. The 3,885 square foot site yields a total of 72,306 square feet of zoning floor area based on the maximum permitted zoning floor area and development rights from adjacent parcels that were merged for zoning purposes into a single lot. The seller acquired 15,936 square feet of air rights from adjacent lot 21 in 2009. The grantee, Ivan Hakimian of HPNY, has proposed to develop a 197-room hotel. As of the date of value, construction had not yet begun on the site. Based on the maximum zoning floor area, the sale price develops an unadjusted unit price of $207.45 per square foot of ZFA.

COMPARABLE LAND SALE NO. 6

This is the sale of a development site located at 11-15 Leonard Street between West Broadway and Hudson Street in the TriBeCa neighborhood of Downtown Manhattan. In August 2011, TriBeCa Development Partners acquired the two adjacent lots from Clark Construction for $10,143,800, inclusive of estimated demolition costs ($143,800). The site contains 5,819 square feet and is zoned C6-2A. The site yields a total of 35,030 square feet of zoning floor area. At the time of the sale the site was improved with two 1-story garages. These buildings total 5,752 square feet of gross building area. We allocated $25 per square foot in demolition cost for the existing gross building area. The buyer, developer Steven Schnall, received approval from the Landmarks Preservation Commission (LPC) to develop 7-story condominium project on the site. Based on the maximum zoning floor area, the sale price develops a unit price of $289.57 per square foot of ZFA.

SUMMARY OF SALES

The uniqueness of the subject's location makes it difficult to locate direct comparables. The opportunity to acquire a ready-to-build prime development site is rare. However, market participants will only pay an amount to secure a location that is feasible based on the proposed development.

The six comparable sales exhibit a range in unadjusted unit prices from $207.45 to $730.47 per square foot of ZFA. The sales occurred between August 2011 and August 2013. The sites involved both small and large development sites ranging in size from 35,030 to 358,990 square feet of ZFA. All of the sales have been reported to be cash equivalent and arms-length transactions.

In making comparisons, we adjusted the sale prices for differences between this site and the comparable sites. Differences between the subject property and the comparable sales are adjusted to reflect property rights conveyed financing terms and conditions of sale, time (market conditions), location, size, zoning, configuration, utility and other. The following chart summarizes our adjustment process.

LAND SALE ADJUSTMENT GRID

		Economic Adjustments (Cumulative)					Property Characteristic Adjustments (Additive)						
No.	Price/ZFA & Date	Property Rights Conveyed	Conditions of Sale	Financing	Market[1] Conditions	PSF ZFA Subtotal	Location	Size	Zoning	Utility[2]	Configuration	Other	Adj. Price/ZFA
1	**$730.47**	Fee Simple	Arm's-Length	None	Inferior	**$939.38**	Similar	Smaller	Similar	Superior	Superior	Superior	**$234.85**
	8/13	0.0%	0.0%	0.0%	28.6%	28.6%	0.0%	-10.0%	0.0%	-35.0%	-10.0%	-20.0%	-75.0%
2	**$256.78**	Fee Simple	Arm's-Length	None	Inferior	**$331.76**	Similar	Smaller	Similar	Superior	Similar	Superior	**$199.05**
	8/13	0.0%	0.0%	0.0%	29.2%	29.2%	0.0%	-15.0%	0.0%	-5.0%	0.0%	-20.0%	-40.0%
3	**$243.18**	Fee Simple	Arm's-Length	None	Inferior	**$356.99**	Similar	Smaller	Similar	Superior	Similar	Superior	**$232.04**
	9/12	0.0%	0.0%	0.0%	46.8%	46.8%	0.0%	-10.0%	0.0%	-5.0%	0.0%	-20.0%	-35.0%
4	**$212.53**	Fee Simple	Arm's-Length	None	Inferior	**$334.73**	Similar	Smaller	Similar	Superior	Inferior	Superior	**$200.84**
	3/12	0.0%	0.0%	0.0%	57.5%	57.5%	0.0%	-20.0%	0.0%	-5.0%	5.0%	-20.0%	-40.0%
5	**$207.45**	Fee Simple	Arm's-Length	None	Inferior	**$330.47**	Similar	Smaller	Similar	Superior	Inferior	Superior	**$181.76**
	2/12	0.0%	0.0%	0.0%	59.3%	59.3%	0.0%	-25.0%	0.0%	-5.0%	5.0%	-20.0%	-45.0%
6	**$289.57**	Fee Simple	Arm's-Length	None	Inferior	**$494.88**	Similar	Smaller	Similar	Superior	Similar	Superior	**$197.95**
	8/11	0.0%	0.0%	0.0%	70.9%	70.9%	0.0%	-35.0%	0.0%	-5.0%	0.0%	-20.0%	-60.0%

STATISTICS

$207.45	- **Low**	**Low** -	**$181.76**
$730.47	- **High**	**High** -	**$234.85**
$323.33	- **Average**	**Average** -	**$207.75**

Compiled by Cushman & Wakefield, Inc.

(1) Market Conditions Adjustment Footnote

Compound annual change in market conditions: 15.00%
Date of Value (for adjustment calculations): 6/1/15

(2) Utility Footnote

Utility includes access, frontage and visibility.

OPINION OF SITE VALUE (SUBJECT TO REQUIREMENTS OF THE GROUND LEASE)

The sales that we have utilized represent the best available information that could be compared to the subject property. The major elements of comparison for an analysis of this type include the property rights conveyed, the financial terms incorporated into a particular transaction, the conditions or motivations surrounding the sale, changes in market conditions since the sale, the location of the real estate, its physical traits and the economic characteristics of the property.

As noted by the summary of comparables, the sales reflect a range in unadjusted price per square foot indicators from $207.45 to $730.47 per square foot of ZFA. After adjustments, the land sales reflect a range from $181.76 to $234.85 per square foot of ZFA. The average adjusted unit value is $207.75 per square foot of ZFA.

According to the terms of the ground lease the Fair Market Property Value is based on the owner's ability to construct 900,000 square foot office building with grade retail. The ground lease evaluation clause refers to gross square feet. In order to determine the land value, it is appropriate to convert the gross building area to the corresponding zoning floor area. We have estimated that 900,000 square feet of gross building area utilizes 810,000 square feet of zoning floor area. Mechanical areas, stairwells, elevator shafts, and ventilation shafts do not count towards zoning floor area. These areas typically range from five to ten percent for newer office buildings and 5 to 15 percent of older office buildings. We have assumed a 10 percent mechanical deduction in our estimation of zoning floor area for the development.

Therefore, we have utilized 810,000 square feet of zoning floor area as the basis for our analysis. Our analysis assumes the subject's site developable area (FAR) is 810,000 square feet as stipulated in the ground lease, which does not represent a market value of the land.

After considering all of the available market data in comparison with the characteristics of the subject property, it is our opinion that the proper unit value is $200.00 per square foot of ZFA.

Therefore, our opinion of the **fee simple interest of the subject site, subject to requirements of the ground lease,** indicated by the Sales Comparison Approach is:

LAND VALUATION CONCLUSION	
	INDICATED VALUE
Maximum FAR:	810,000
Indicated Value per FAR:	X $200.00
Indicated Land Value:	$162,000,000
Rounded Land Value:	$160,000,000
Fee Simple Value per FAR:	$197.53

SALES COMPARISON APPROACH

METHODOLOGY

Using the Sales Comparison Approach, we developed an opinion of value by comparing the subject property to similar, recently sold properties in the surrounding or competing area. This approach relies on the principle of substitution, which holds that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution.

By analyzing sales that qualify as arm's-length transactions between willing and knowledgeable buyers and sellers, we can identify value and price trends. The basic steps of this approach are:

1. Research recent, relevant property sales and current offerings in the competitive area;
2. Select and analyze properties that are similar to the subject property, analyzing changes in economic conditions that may have occurred between the sale date and the date of value, and other physical, functional, or locational factors;
3. Identify sales that include favorable financing and calculate the cash equivalent price;
4. Reduce the sale prices to a common unit of comparison such as price per square foot of net rentable area;
5. Make appropriate comparative adjustments to the prices of the comparable properties to relate them to the subject property and
6. Interpret the adjusted sales data and draw a logical value conclusion.

The most widely used and market-oriented unit of comparison for properties such as the subject is the sales price per square foot of net rentable area. All comparable sales were analyzed on this basis. The following pages contain a summary of the improved properties that we compared to the subject property, a map showing their locations, and the adjustment process.

Due to the nature of the subject property and the level of detail available for the comparable data, we have elected to analyze the comparables through the application of a traditional adjustment grid using percentage adjustments.

The most widely used and market-oriented unit of comparison for properties such as the subject is the sales price per square foot of net rentable area. All comparable sales were analyzed on this basis. The following pages contain a summary of the improved properties that we compared to the subject property, a map showing their locations, and the adjustment process.

On the following pages, we present a summary of the improved properties that we compared to the subject property, a map showing their locations, and an adjustment grid.

SUMMARY OF IMPROVED SALES

No.	Property Name / Location	Land Area (SF)	Net Rentable Area (SF)	Year Built	No. Stories	Sale Date	Grantor/ Grantee	Price	Price/NRA	NOI/SF	OAR	Occupancy at Sale	Financing
	Physical Data					Sale Data			Financial Data				
1	**100 Wall Street** Btw. Water & Front Streets New York, New York	22,399	517,031	1969 2014	29	Jun-15 **Contract**	Savanna Partners / Cornerstone Real Estate Advisers	$270,000,000	$522.21	$15.86	3.04%	95%	Cash
	Comments:	Sale of a Class A office building on the corner of Wall Street and Water Street that is leased to 50 tenants. The three largest tenants include Harris Beach LLC, Lester Schwab and US Bank National Association. The average office contract is $38.46 per square, approximately 20 percent below market. An approximate $24.7 million in capital improvements have been spent in the past four years; which included common areas, HVAC, building systems, and the relocation of the electrical switchgear to the 2nd floor. Savanna Partners acquired 100 Wall Street by foreclosing on a mortgage note of $117,399,060 from Lehman Brothers Holdings, Inc. in May 2011. In addition at the time, Savanna acquired the junior debt positions to the first mortgage.											
2	**123 William Street** B/w John and Fulton Streets New York, New York	21,242	545,301	1957	27	Mar-15	GreenOak & East End Capital / New York REIT	$253,000,000	$463.96	$12.45	2.68%	98%	Cash
	Comments:	Sale of a Class A minus office building located between John and Fulton Streets. Tenants include the New York State Department of State, the City of New York, the U.S. Social Security Administration, the Securities Training Corporation and law firm McAloon & Friedman. The property was previously purchased by GreenOak & East End Capital from Chetrit Group in October 2013 for $133 million, at which time the building was half occupied. The property is currently 98 percent leased.											
3	**32 Old Slip** Financial Square B/w South and Front Streets New York, New York	42,176	1,159,086	1987	36	Dec-14	Beacon Capital Partners / RXR Realty	$675,000,000	$582.36	$23.32	4.00%	90%	Cash
	Comments:	Sale of Class A building located on an entire city block bound by Old Slip, South Street, Gouverneur Lane and Front Street in the Financial East District of Downtown Manhattan. RXR Realty purchased the property from Beacon Capital Partners for $675 million. Following the sale, RXR Realty created a 99 year ground lease which they sold to Leon Melohn for a purchase price of 207.5 million. The ground rent is $8.5 million through 2023, increasing to $9,572,381 with subsequent 2.0 percent annual increases. RXR Realty will retain the leasehold estate. The buyer intends to renovate and reposition the property.											
4	**180 Maiden Lane** B/w Front and South Streets New York, New York	46,799	1,189,325	1982/2014	41	Sep-14	JV SL Green & Moinian / JV Murray Hill Properties & Clarion Partners	$470,000,000	$395.18	n/a	n/a	21%	Cash
	Comments:	Sale of Class A building located in the Financial East submarket. AIG was the major anchor tenant at the property until it left in April 2014. The property is in the midst of $60 million capital improvement program. The renovation includes upgrading lobby, common areas, elevators and building mechanical systems.											

SUMMARY OF IMPROVED SALES (CONTINUED)

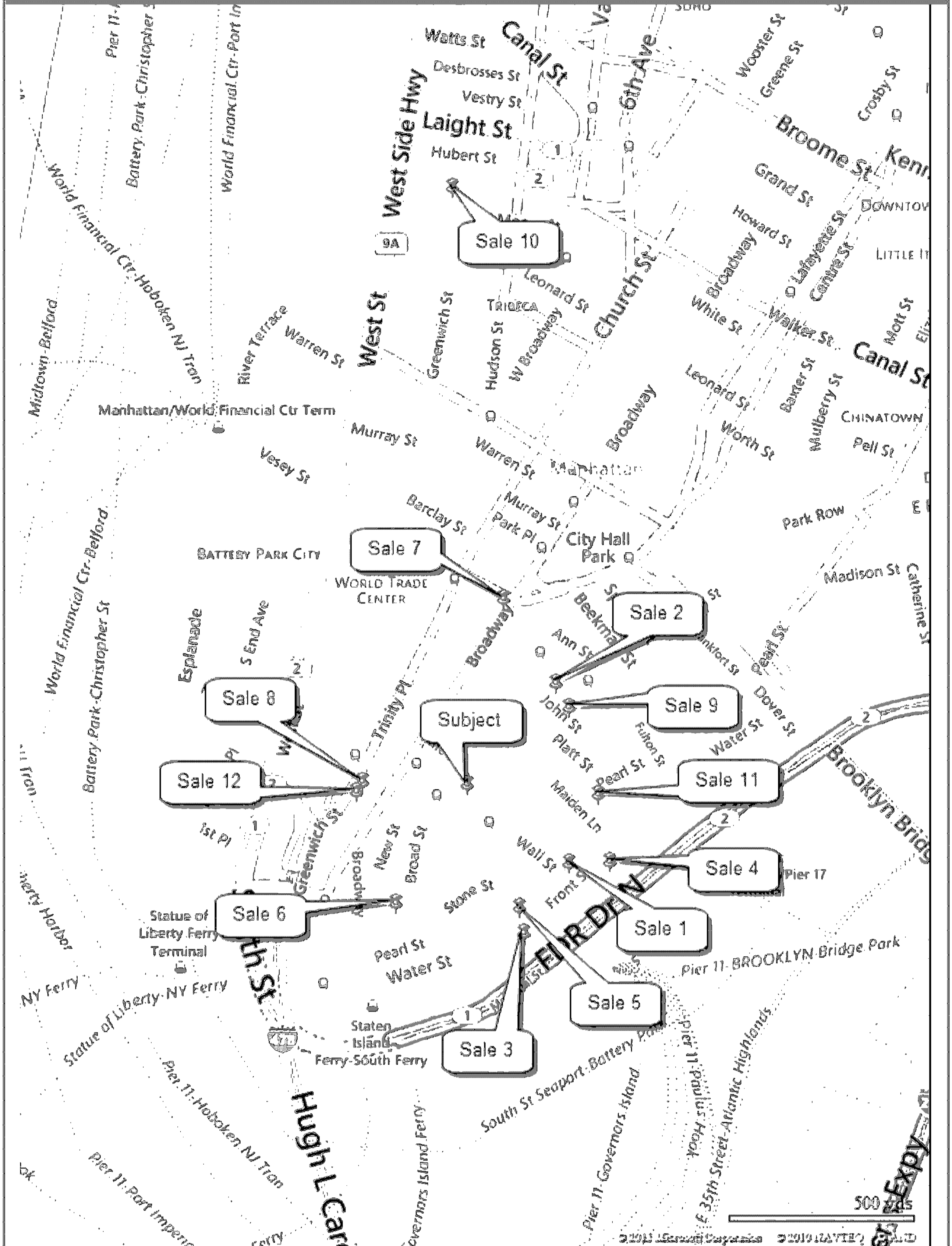
	Physical Data					Sale Data			Financial Data				
5	**77 Water Street** B/w Gouverneur Lane and Old Slip New York, New York	25,779	633,308	1969/2009	26	Aug-14	Travelers Companies / Principal Real Estate Investors	$245,000,000 **Leasehold**	$386.86	$29.69	7.68%	100%	Cash
	Comments:	Sale of Class A building located in the Financial East submarket. The property is fully leased to The Goldman Sachs Group, Inc. under a triple-net lease agreement that expires in March 2021 with a surrender option for the 14 through 26 in March 2018. Goldman Sachs Group, Inc. never took occupancy of the property since the lease commencement in January 2000. In 2009, the tenant renovated the property and commenced a subleasing program of the space to third parties. Over 80 percent of the property is currently subleased to third parties such as AT&T, ARUP, Lewis Brisbois and United Health among others. The property was developed by the Kaufmann Organization. The property is subject to a long term ground lease that is owned and controlled by the principals of The William Kaufman Organization with minimal ground rental payments.											
6	**80 Broad Street** B/w Stone & Beaver Streets New York, New York	13,135	411,944	1935/2007	36	Aug-14	Savanna Partners / Broad Street Development	$175,000,000	$424.82	$15.90	3.74%	87%	Cash
	Comments:	Sale of a Class B office building located on Broad Street between Stone and Beaver Streets. The property is located in the Financial East office submarket of Downtown Manhattan. Savanna acquired the property in 2011 from Swig Equities after taking control of the property's senior mortgage. Subsequently, Savanna completed a comprehensive renovation which included a lobby renovation, façade, modernized elevators and upgrades to the common areas. In addition, Savanna also invested capital to complete work following Superstorm Sandy, to protect the building from similar future weather events.											
7	**222 Broadway** B/w Fulton & Ann Streets New York, New York	33,340	775,786	1961/2013	31	Aug-14	Beacon Capital JV L&L Holding / Deutsche Asset & Wealth Management	$502,000,000	$647.09	$26.86	4.15%	97%	Cash
	Comments:	Beacon is selling its equity stake and L&L will stay on as partner and continue to operate the building. Bank of America occupies 78% of the building with their current lease expiring in 2022. In 2013, BOA exercised an option to vacate 91,000 SF. BOA's rents are significantly below market as they sold the building to Beacon and L&L in 2012. The building is near full occupancy with WeWork recently signing a lease for 120,000 SF for 16 years and Conde Nast leasing 83,000 SF until 2029.											
8	**61 Broadway** B/w Exchange Alley & Rector Street New York, New York	21,209	786,975	1916/1986	33	May-14	Broad Street Development / RXR Realty	$330,000,000	$419.33	$18.71	4.46%	97%	Cash
	Comments:	Sale of a Class B office building located on Broadway between Exchange Alley and Rector Street. The buyer intends to renovate at a cost of $20 million over the next several years and increase rents. The buyer intends to attract creative and tech firms. The building is 96.58 percent leased. The largest tenants include The People of New York (36,696 square feet) and Professional Staff Insurance (31,536 square feet). Trinity Place Department Store occupies the retail space on the ground floor, basement and mezzanine.											

SUMMARY OF IMPROVED SALES (CONTINUED)

	Physical Data					Sale Data			Financial Data				
9	**110 William Street** N/E/C of John Street New York, New York	34,591	928,157	1959	32	May-14	Swig Equities & Longwing Ventures / Savanna Partners	$261,100,000	$281.31	$13.98	4.97%	97%	Cash
	Comments:	Sale of a Class A office building located on the northeast corner of William and John Streets. The floor plates range from 5,300 to 40,000 square feet. Ownership has spent approximately $18.6 million in building and tenant improvements since 2005. The two cellar floors total 13,185 square feet, with 20,765 square feet of space on the ground floor and another 894,207 square feet of office space above. New York Economic Development Corporation, the building's anchor tenant, has a private entrance off John Street with escalators leading to its second floor space.											
10	**388-390 Greenwich Street** B/w North Moore & Hubert Streets New York, New York	172,327	2,634,670	1989/1986	39/8	Mar-14	Ivanhoe Cambridge / SL Green Realty Co.	$1,585,000,000	$601.59	$41.52	6.90%	100%	Cash
	Comments:	SL Green bought JV partner Ivanhoe Cambridge's interest. In December 2013, Citi renewed its triple-net lease of the 2.6M SF through 2035 and will make the complex its global HQ. It has the option to buy the properties between December 2017 to December 2020. Its acquisition from Ivanhoe Cambridge values the properties at $1.585B, nearly the same as when the companies bought them from Citigroup in December 2007 ($1.575B). However, the terms of Citi's purchase option aren't known. 388 Greenwich is a 39-story tower with highly efficient floors and sweeping, unobstructed views. 390 Greenwich is an eight-story building featuring 94,000 square foot floors that are considered some of the finest trading floors in Manhattan.											
11	**160 Water Street** B/w Fletcher & John Streets New York, New York	24,092	487,523	1970	24	Mar-14	Oestreicher Realty / Emmes Asset Management	$165,000,000	$338.45	$14.50	4.28%	96%	Cash
	Comments:	Sale of a Class A office building located on the north side of Fletcher Street between Water Street and Pearl Street in the Insurance office submarket of Downtown Manhattan. The property is leased to four office tenants. The three largest office tenants in the building include NYC Health & Hospital (310,841 square feet); Beth Israel Medical Center (107,500 square feet); and Seneca Insurance Company (43,000 square feet). The smallest office tenant is Oestreicher Management (5,259 square feet) which is the owner's management office. The rollover years occur in 2023 and 2025. In 2023, the lease expires with New York City Health and Hospitals Corporation; and in 2025, the lease expires with Beth Israel Medical Center.											
12	**55 Broadway** S/W/C of Exchange Alley New York, New York	15,722	358,637	1981/1987	32	Feb-14	Broad Street Development / Harbor Group International, LLC	$157,000,000	$437.77	$21.34	4.87%	89%	Cash
	Comments:	Sale of a Class A office building known as One Exchange Plaza located on Broadway located one block west of the New York Stock Exchange and four blocks south of the new World Trade Center. The office space is leased 38 office tenants. Approximately 49 percent of the subject's net rentable area expires through 2018. The lobby has been fully renovated along with the elevator cabs and mechanicals. The property previously sold in May 2006 to Broad Street Development from Bank of Communications for a purchase price of $82 million.											

STATISTICS							
LOW	13,135	358,637	1957	$281.31	$12.45	2.68%	21.00%
HIGH	172,327	2,634,670	2014	$647.09	$41.52	7.68%	100.00%
MEAN	39,401	868,979	1976	$458.41	$21.28	4.62%	88.89%
MEDIAN	24,936	704,547	1970	$431.29	$18.71	4.28%	96.24%

SALES COMPARISON MAP



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PERCENTAGE ADJUSTMENT METHOD

ADJUSTMENT PROCESS

The sales we have used were the best available comparables to the subject property. The major points of comparison for this type of analysis include the property rights conveyed, the financial terms incorporated into the transaction, the conditions or motivations surrounding the sale, changes in market conditions since the sale, the location of the real estate, its physical traits and the economic characteristics of the property.

The first adjustment made to the market data takes into account differences between the subject property and the comparable property sales with regard to the legal interest transferred. Advantageous financing terms or atypical conditions of sale are then adjusted to reflect a normal market transaction. Next, changes in market conditions are accounted for, creating a time adjusted price. Lastly, adjustments for location, physical traits and the economic characteristics of the market data are made in order to generate the final adjusted unit rate for the subject property.

We have made a downward adjustment to those comparables considered superior to the subject and an upward adjustment to those comparables considered inferior.

PROPERTY RIGHTS CONVEYED

The property rights conveyed in a transaction typically have an impact on the price that is paid. Acquiring the fee simple interest implies that the buyer is acquiring the full bundle of rights. Acquiring a leased fee interest typically means that the property being acquired is encumbered by at least one lease, which is a binding agreement transferring rights of use and occupancy to the tenant. A leasehold interest involves the acquisition of a lease, which conveys the rights to use and occupy the property to the buyer for a finite period of time. At the end of the lease term, there is typically no reversionary value to the leasehold interest.

The subject is encumbered by a ground lease and this appraisal is intended to provide an opinion of the market value of the leasehold interest in the property. Therefore, downward adjustments were required for the leased fee interest in the comparable sales. No adjustment was required for the leasehold interest in the comparables.

FINANCIAL TERMS

The financial terms of a transaction can have an impact on the sale price of a property. A buyer who purchases an asset with favorable financing might pay a higher price, as the reduced cost of debt creates a favorable debt coverage ratio. A transaction involving above-market debt will typically involve a lower purchase price tied to the lower equity returns after debt service. We have analyzed all of the transactions to account for atypical financing terms. To the best of our knowledge, all of the sales used in this analysis were accomplished with cash or market-oriented financing. Therefore, no adjustments were required.

CONDITIONS OF SALE

Adjustments for conditions of sale usually reflect the motivations of the buyer and the seller. In many situations the conditions of sale may significantly affect transaction prices. However, all sales used in this analysis are considered to be "arms-length" market transactions between both knowledgeable buyers and sellers on the open market. Therefore, no adjustments were required.

MARKET CONDITIONS

The sales that are included in this analysis occurred between February 2014 and June 2015; Sale 1 is currently under contract of sale. Investors continue to view Manhattan's office buildings as less risky and are willing to invest, as indicated by the large number of sales since 2013. We have applied an upward adjustment of 5.00 percent per annum up to June 1, 2015, the effective date of value.

LOCATION

An adjustment for location is required when the locational characteristics of a comparable property differ from those of the subject property. Each comparable was adjusted accordingly.

PHYSICAL TRAITS

Each property has various physical traits that determine its appeal. These traits include size, age, condition, quality, parking ratio and utility. Each comparable was adjusted accordingly.

ECONOMIC CHARACTERISTICS

The economic characteristics of a property include its occupancy levels, operating expense ratios, tenant quality, and other items not covered under prior adjustments that would have an economic impact on the transaction. Each comparable was adjusted accordingly.

OTHER

This category accounts for any other adjustments not previously discussed. Based on our analysis of these sales, none required any additional adjustment.

DISCUSSION OF COMPARABLE SALES

In our analysis, we have compared the subject property to office properties in the subject's market area. These are discussed below.

COMPARABLE SALE NO. 1

This is the June 2015 contract of sale of 100 Wall Street, a modern 29-story (there is no 13th floor) Class A multi-tenant office building built in 1969 (renovated in 1994) containing 517,031 rentable square feet. It is located on the northerly blockfront of Wall Street between Water and Front streets in the Financial East office sub market of Downtown Manhattan. It is located in Flood Zone X, which is outside of the 100- and 500-year flood plain and is not designated as a special flood hazard area.

100 Wall Street is leased to 50 tenants, of which the three largest tenants include Harris Beach PLLC, Lester Schwab and US Bank National Association. The average office contract is $38.46 per square foot, approximately 20 percent below market. An approximate $24.7 million in capital improvements have been spent in the past four years; which included common areas, HVAC, building systems, and the relocation of the electrical switchgear to the 2nd floor.

Savanna Partners is in contract to sell the leased fee interest to Cornerstone Real Estate Advisers for a reported purchase price of $270 million, indicating an overall property capitalization rate of 3.04 percent. The sale price equates to $522.21 per square foot.

In comparison with the subject property, a downward adjustment was required for property rights conveyed. A downward adjustment was required for size under the premise that smaller properties sell for more per square foot than larger properties. No other adjustments were required. The adjusted price is $446.49 per square foot.

COMPARABLE SALE NO. 2

This sale is located at 123 William Street, which is located between Fulton and John Street throughblock to Dutch Street. This office building sold in March 2015 to New York REIT from GreenOak & East End Capital for $253,000,000. 123 William Street is a 27-story, plus lower level, Class A office building containing 545,301 square feet of net rentable area on a 34,360 square foot parcel of land. Tenants include the New York State Department of State, the U.S. Social Security Administration, the Securities Training Corporation and law firm McAloon & Friedman. The property was previously purchased by GreenOak & East End Capital from Chetrit Group in October 2013 for $133 million, at which time the building was half occupied. The property is currently 98 percent leased. 123 William Street is located in Flood Zone X; the area is inundated by 100-year flooding. The purchase price equates to a value of $463.96 per square foot.

In comparison with the subject property, a downward adjustment was required for property rights conveyed. An upward adjustment was required for market conditions. A downward adjustment was required for size under the premise that smaller properties sell for more per square foot than larger properties. An upward adjustment was required for quality and appeal. No other adjustments were required. The adjusted price is $443.97 per square foot.

COMPARABLE SALE NO. 3

This sale is located at 32 Old Slip, which occupies the entire city block bound by Old Slip, South Street, Gouverneur Lane and Front Street in the Financial East District of Downtown Manhattan. This office building sold in December 2014 to RXR Realty from Beacon Capital Partners for $675,000,000. Following the sale, RXR Realty created a 99 year ground lease which they sold to Leon Melohn for a purchase price of 207.5 million. The ground rent is $8.5 million through 2023, increasing to $9,572,381 with subsequent 2.0 percent annual increases. RXR Realty will retain the leasehold estate. 32 Old Slip is a 36-story, plus lower level, Class A office building containing 1,159,086 square feet of net rentable area on a 42,176 square foot parcel of land. It is currently 90 percent occupied. The purchase price equates to $582.36 per square foot. 32 Old Slip is located in Flood Zone X, outside of the 100- and 500- year flood plain.

In comparison with the subject property, a downward adjustment was required for property rights conveyed. An upward adjustment was required for market conditions. An upward adjustment was required for location. A downward adjustment was required for age and condition. A downward adjustment was required for quality and appeal. No other adjustments were required. The adjusted price is $456.61 per square foot.

COMPARABLE SALE NO. 4

This sale is located at 180 Maiden Lane, which occupies the entire city block bound by Maiden Lane, Pine, Front, and South Streets. This office building sold in September 2014 to Murray Hill Properties (MHP) from The Moinian Group and SL Green Realty Corp. for $470,000,000. The contract was dated September 11, 2014. 180 Maiden Lane is a 41-story, plus lower level, Class A office building containing 1,189,325 square feet of net rentable area on a 46,799 square foot parcel of land. It is currently 21.2 percent occupied. The majority of the vacant space was formerly occupied by AIG which recently vacated the property. The building is currently undergoing a $33.0 million capital improvement to reconfigure and enhance the lobby and interior public space, upgrade the elevators and building mechanical systems. The sale price equates to a price of $395.18 per square foot. 180 Maiden Lane is located in Flood Zone AE; the area is inundated by 100-year flooding.

In comparison with the subject property, a downward adjustment was required for property rights conveyed. An upward adjustment was required for market conditions. An upward adjustment was required for location. A downward adjustment was required for age and condition. An upward adjustment was required for occupancy. No other adjustments were required. The adjusted price is $461.20 per square foot.

COMPARABLE SALE NO. 5

This sale is located at 77 Water Street between Gouverneur Lane and Old Slip. This Class A office building was sold in August 2014 to Principal Real Estate Investors from Travelers Companies for $245,000,000. The 26-story office property was built in 1969 and renovated in 2009. The property contains 633,308 square feet of rentable area. The property is fully leased to The Goldman Sachs Group, Inc. under a triple-net lease agreement that expires in March 2021 with a surrender option for floors 14 through 26 in March 2018. Goldman Sachs Group, Inc. never took occupancy of the property since the lease commencement in January 2000. In 2009, the tenant renovated the property and commenced a subleasing program of the space to third parties. Over 80 percent of the property is currently subleased to third parties such as AT&T, ARUP, Lewis Brisbois and United Health among others. The property was developed by the Kaufmann Organization. The property is subject to a long term ground lease that is owned and controlled by the principals of The William Kaufman Organization with minimal ground rental payments. The current overall capitalization rate is 7.68 percent. The sales price equates to $386.86 per square foot. 77 Water Street is located in Flood Zone X, outside of the 100- and 500- year flood plain.

In comparison with the subject property, an upward adjustment was required for market conditions. An upward adjustment was required for location. A downward adjustment was required for size under the premise that smaller properties sell for more per square foot than larger properties. An upward adjustment was required for quality and appeal. No other adjustments were required. The adjusted price is $443.26 per square foot.

COMPARABLE SALE NO. 6

This sale is located at 80 Broad Street between Stone and Beaver Streets. This Class B office building was sold in August 2014 to Broad Street Development from Savanna Partners for $175,000,000. The building is currently 87 percent leased. The 36-story office property was built in 1935. The property contains 411,944 square feet of rentable area. The property is located in the Financial East office submarket of Downtown Manhattan. The sales price equates to $424.82 per square foot. 80 Broad Street is located in Flood Zone X, outside of the 100- and 500- year flood plain.

In comparison with the subject property, a downward adjustment was required for property rights conveyed. An upward adjustment was required for market conditions. An upward adjustment was required for location. A downward adjustment was required for size under the premise that smaller properties sell for more per square foot than larger properties. An upward adjustment was required for age and condition. An upward adjustment was required for quality and appeal. No other adjustments were required. The adjusted price is $457.99 per square foot.

COMPARABLE SALE NO. 7

This sale is located at 222 Broadway between Fulton and Ann Streets. This office building sold in August 2014 to Deutsche Asset & Wealth Management from Beacon Capital JV L&L Holding for a purchase price of $502 million. The building is currently 97 percent leased. The 31-story office property was built in 1961 and renovated in 2013. The property contains 775,786 square feet of rentable area. Beacon sold its equity stake and L&L will stay on as partner and continue to operate the building. Bank of America occupies 62% of the building with their current lease expiring in 2022. In 2013, BOA exercised an option to vacate 91,000 square feet. BoA's rents are significantly below market. The building is near full occupancy with WeWork signing a lease for 120,000 SF for 16 years and Conde Nast leasing 83,000 SF until 2029. The current overall capitalization rate is 4.15 percent. The sales price equates to $647.09 per square foot. 222 Broadway is located in Flood Zone X, outside of the 100- and 500- year flood plain.

In comparison with the subject property, a downward adjustment was required for property rights conveyed. An upward adjustment was required for market conditions. A downward adjustment was required for size under the premise that smaller properties sell for more per square foot than larger properties. A downward adjustment was required for age and condition. A downward adjustment was required for quality and appeal. A downward adjustment was required for occupancy. No other adjustments were required. The adjusted price is $454.97 per square foot.

COMPARABLE SALE NO. 8

This sale is located at 61 Broadway between Exchange Alley and Rector Street. This Class B office building sold in May 2014 to RXR Realty from Broad Street Development for a reported purchase price of $330 million. The buyer intends to renovate at a cost of $20 million. The building is currently 96.58 percent leased. The largest tenants include Corporation for Supporting Housing, Home Insurance Co., Leukemia and Lymphoma Society, Artnet Worldwide, and Gemini Systems. The 33-story office property was built in 1916 and renovated in 1986. The property contains 786,975 square feet of rentable area. The current overall capitalization rate is 4.46 percent. The sales price equates to $419.33 per square foot. 61 Broadway is located in Flood Zone X, outside of the 100- and 500- year flood plain.

In comparison with the subject property, a downward adjustment was required for property rights conveyed. An upward adjustment was required for market conditions. A downward adjustment was required for size under the premise that smaller properties sell for more per square foot than larger properties. An upward adjustment was required for age and condition. An upward adjustment was required for quality and appeal. No other adjustments were required. The adjusted price is $457.54 per square foot.

COMPARABLE SALE NO. 9

This sale is located at 110 William Street on the northeast corner of John Street. This Class A office building sold in May 2014 to Savanna Partners from Swig Equities & Longwing Ventures for a reported purchase price of $261.1 million. The building is currently 97 percent leased. The 32-story office property was built in 1959. The property contains 928,157 square feet of rentable area. The current overall capitalization rate is 4.97 percent. The sales price equates to $281.31 per square foot. 110 William Street is located in Flood Zone X, outside of the 100- and 500- year flood plain.

In comparison with the subject property, a downward adjustment was required for property rights conveyed. An upward adjustment was required for market conditions. An upward adjustment was required for age and condition. An upward adjustment was required for quality and appeal. No other adjustments were required. The adjusted price is $427.06 per square foot.

COMPARABLE SALE NO. 10

This sale is located at 388-390 Greenwich Street between North Moore & Hubert Streets. This Class A office building sold in March 2014 to SL Green Realty Co. from Ivanhoe Cambridge for a purchase price of $1.585 billion. The building is fully leased to Citibank. The property contains 2,634,670 square feet of rentable area. SL Green bought JV partner Ivanhoe Cambridge's interest. In December 2013, Citi renewed its triple-net lease of the 2.6M SF through 2035 and will make the complex its global HQ. It has the option to buy the properties between December 2017 to December 2020. Its acquisition from Ivanhoe Cambridge values the properties at $1.585B, nearly the same as when the companies bought them from Citigroup in December 2007 ($1.575B). However, the terms of Citi's purchase option aren't known. 388 Greenwich is a 39-story tower with highly efficient floors and sweeping, unobstructed views. 390 Greenwich is an eight-story building featuring 94,000 square foot floors that are considered some of the finest trading floors in Manhattan. The current overall capitalization rate is 6.90 percent. The sales price equates to $601.59 per square foot. 388-390 Greenwich Street is located in Flood Zone X, outside of the 100- and 500- year flood plain.

In comparison with the subject property, a downward adjustment was required for property rights conveyed. An upward adjustment was required for market conditions. An upward adjustment was required for location. An upward adjustment was required for size under the premise that smaller properties sell for more per square foot than larger properties. A downward adjustment was required for age and condition. A downward adjustment was required for quality and appeal. A downward adjustment was required for occupancy. No other adjustments were required. The adjusted price is $489.03 per square foot.

COMPARABLE SALE NO. 11

This is the March 2014 sale of a Class A office building located at 160 Water Street between Fletcher and John Streets. Emmes Asset Management acquired the property from Oestreicher Realty for a purchase price of $165,000,000. The 24-store office property was built in 1970. The property contains 487,523 square feet of rentable area. The current overall capitalization rate is 4.28 percent. The sales price equates to $338.45 per square foot. 160 Water Street is located in Flood Zone X, outside of the 100- and 500- year flood plain.

In comparison with the subject property, a downward adjustment was required for property rights conveyed. An upward adjustment was required for market conditions. An upward adjustment was required for location. A downward adjustment was required for size under the premise that smaller properties sell for more per square foot than larger properties. An upward adjustment was required for age and condition. An upward adjustment was required for quality and appeal. No other adjustments were required. The adjusted price is $453.13 per square foot.

COMPARABLE SALE NO. 12

This is the February 2014 sale of 55 Broadway, a Class A office building, located on the southwest corner of Exchange Alley. Harbor Group International, LLC acquired the property from Broad Street Development for a reported purchase price of $157 million. The 32-story office property was built in 1981 and renovated in 1987. The property contains 358,637 square feet of rentable area. The current overall capitalization rate is 4.87 percent. The sales price equates to $437.77 per square foot. 55 Broadway is located in Flood Zone X, outside of the 100- and 500- year flood plain.

In comparison with the subject property, a downward adjustment was required for property rights conveyed. An upward adjustment was required for market conditions. A downward adjustment was required for size under the premise that smaller properties sell for more per square foot than larger properties. An upward adjustment was required for age and condition. An upward adjustment was required for quality and appeal. No other adjustments were required. The adjusted price is $441.17 per square foot.

SUMMARY OF PERCENTAGE ADJUSTMENT METHOD

As noted by the summary of comparables, the sales reflect a range of unadjusted price per square foot from $281.31 to $647.09 per square foot. The mean price per square foot exhibited by the comparables was calculated to be $458.41 per square foot and the median price per square foot was $431.29 per square foot.

In making comparisons, we adjusted the sale prices for differences between this site and the comparable sites. Differences between the subject property and the comparable sales are adjusted to reflect property rights conveyed, financing terms and conditions of sale, time (market conditions), location, size, age/condition, quality, occupancy, economics, utility and other components. The following chart summarizes our adjustment process.

IMPROVED COMPARABLE SALE ADJUSTMENT GRID

		ECONOMIC ADJUSTMENTS (CUMULATIVE)					PROPERTY CHARACTERISTIC ADJUSTMENTS (ADDITIVE)								
No.	$/SqFt Date	Property Rights Conveyed	Conditions of Sale	Financing	# Months/ Market Conditions *	Subtotal	Location	Size	Age & Condition	Quality & Appeal	Occupancy	Economics	Utility	Other	Adj. $/Sqft
1	**$522.21**	Leased Fee/Mkt.	Arms-Length	None	0	**$469.99**	Similar	Smaller	Similar	Similar	Similar	Similar	Similar	Similar	**$446.49**
	6/15	-10.0%	0.0%	0.0%	0.0%	-10.0%	0.0%	-5.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-5.0%
2	**$463.96**	Leased Fee/Mkt.	Arms-Length	None	3	**$422.83**	Similar	Smaller	Similar	Inferior	Similar	Similar	Similar	Similar	**$443.97**
	3/15	-10.0%	0.0%	0.0%	1.3%	-8.9%	0.0%	-5.0%	0.0%	10.0%	0.0%	0.0%	0.0%	0.0%	5.0%
3	**$582.36**	Leased Fee/Mkt.	Arms-Length	None	6	**$537.19**	Inferior	Similar	Superior	Superior	Similar	Similar	Similar	Similar	**$456.61**
	12/14	-10.0%	0.0%	0.0%	2.5%	-7.8%	5.0%	0.0%	-10.0%	-10.0%	0.0%	0.0%	0.0%	0.0%	-15.0%
4	**$395.18**	Leased Fee/Mkt.	Arms-Length	None	9	**$368.96**	Inferior	Similar	Superior	Similar	Inferior	Similar	Similar	Similar	**$461.20**
	9/14	-10.0%	0.0%	0.0%	3.7%	-6.6%	5.0%	0.0%	-5.0%	0.0%	25.0%	0.0%	0.0%	0.0%	25.0%
5	**$386.86**	Leasehold	Arms-Length	None	10	**$402.97**	Inferior	Smaller	Similar	Inferior	Similar	Similar	Similar	Similar	**$443.26**
	8/14	0.0%	0.0%	0.0%	4.2%	4.2%	5.0%	-5.0%	0.0%	10.0%	0.0%	0.0%	0.0%	0.0%	10.0%
6	**$424.82**	Leased Fee/Mkt.	Arms-Length	None	10	**$398.25**	Inferior	Smaller	Inferior	Inferior	Similar	Similar	Similar	Similar	**$457.99**
	8/14	-10.0%	0.0%	0.0%	4.2%	-6.3%	5.0%	-10.0%	10.0%	10.0%	0.0%	0.0%	0.0%	0.0%	15.0%
7	**$647.09**	Leased Fee/Mkt.	Arms-Length	None	10	**$606.63**	Similar	Smaller	Superior	Superior	Superior	Similar	Similar	Similar	**$454.97**
	8/14	-10.0%	0.0%	0.0%	4.2%	-6.3%	0.0%	-5.0%	-10.0%	-5.0%	-5.0%	0.0%	0.0%	0.0%	-25.0%
8	**$419.33**	Leased Fee/Mkt.	Arms-Length	None	13	**$397.86**	Similar	Smaller	Inferior	Inferior	Similar	Similar	Similar	Similar	**$457.54**
	5/14	-10.0%	0.0%	0.0%	5.4%	-5.1%	0.0%	-5.0%	10.0%	10.0%	0.0%	0.0%	0.0%	0.0%	15.0%
9	**$281.31**	Leased Fee/Mkt.	Arms-Length	None	13	**$266.91**	Similar	Similar	Inferior	Inferior	Similar	Similar	Similar	Similar	**$427.06**
	5/14	-10.0%	0.0%	0.0%	5.4%	-5.1%	0.0%	0.0%	25.0%	35.0%	0.0%	0.0%	0.0%	0.0%	60.0%
10	**$601.59**	Leased Fee/Mkt.	Arms-Length	None	15	**$575.33**	Inferior	Larger	Superior	Superior	Superior	Similar	Similar	Similar	**$489.03**
	3/14	-10.0%	0.0%	0.0%	6.3%	-4.4%	5.0%	15.0%	-15.0%	-10.0%	-10.0%	0.0%	0.0%	0.0%	-15.0%
11	**$338.45**	Leased Fee/Mkt.	Arms-Length	None	15	**$323.67**	Inferior	Smaller	Inferior	Inferior	Similar	Similar	Similar	Similar	**$453.13**
	3/14	-10.0%	0.0%	0.0%	6.3%	-4.4%	5.0%	-10.0%	20.0%	25.0%	0.0%	0.0%	0.0%	0.0%	40.0%
12	**$437.77**	Leased Fee/Mkt.	Arms-Length	None	16	**$420.17**	Similar	Smaller	Inferior	Inferior	Similar	Similar	Similar	Similar	**$441.17**
	2/14	-10.0%	0.0%	0.0%	6.6%	-4.0%	0.0%	-10.0%	5.0%	10.0%	0.0%	0.0%	0.0%	0.0%	5.0%

SUMMARY

Price Range	Unadj. $/SF	Adj. $/SF
Low	$281.31	$427.06
High	$647.09	$489.03
Average	$458.41	$452.70

Net Adjustment	
Low	-25.0%
High	60.0%
Average	9.6%

***Market Conditions Adjustment**

Date of Value (for adjustment calculations): June 1, 2015

Annual Adjustment to June 1, 2015 5.00%

ADJUSTMENT PROCESS

The sales that we have utilized represent the best available information that could be compared to the subject property. The major elements of comparison for an analysis of this type include the property rights conveyed, the financial terms incorporated into a particular transaction, the conditions or motivations surrounding the sale, changes in market conditions since the sale, the location of the real estate, its physical traits and the economic characteristics of the property.

The comparable sale properties include buildings that are comparable in both location and physical characteristics. Prior to adjustments, the sales reflect a range in price $281.31 to $647.09 per square foot. After adjustments the comparable improved sales reflect unit prices ranging from $427.06 to $489.03 per square foot with an average adjusted price of $452.70 per square foot.

The reported and derived overall capitalization rates range from 2.68 to 7.68 percent based on projected and/or actual net operating incomes. As displayed, the price per square foot indications vary due to variations in site location, exposure, improvement design, quality, condition and age as well as the image of the property, nature of tenancies, length of lease terms and, most importantly, the level and quality of the net income stream.

The most comparable sales to the subject property are those with good locations and income profiles. The subject property has a potential gross income profile in line with many of the comparables.

SALES COMPARISON APPROACH CONCLUSION

The majority of the sales were adjusted for age and condition, quality and appeal or location. In our analysis we have placed the most weight on Sales 1 through 6 and 8, which have the most similar characteristics to the subject property. Therefore, the value indicated by the Sales Comparison Approach is at the middle of the range of adjusted sale prices per square foot indicated by the comparables at $460.00 per square foot. Based on our analysis of competitive sales, we conclude that the indicated value by the Sales Comparison Approach on June 1, 2015, is:

SALES COMPARISON APPROACH CONCLUSION	
MARKET VALUE:	
Net Rentable Area:	1,165,207 sf
Concluded Price Per Square Foot:	x $460.00
Indicated Value:	$535,995,220
Rounded:	$540,000,000
Per Square Foot:	$463.44

INCOME CAPITALIZATION APPROACH

METHODOLOGY

The Income Capitalization Approach is a method of converting the anticipated economic benefits of owning property into a value through the capitalization process. The principle of "anticipation" underlies this approach in that investors recognize the relationship between an asset's income and its value. In order to value the anticipated economic benefits of a particular property, potential income and expenses must be projected, and the most appropriate capitalization method must be selected.

The two most common methods of converting net income into value are Direct Capitalization and Discounted Cash Flow. In direct capitalization, net operating income is divided by an overall capitalization rate to indicate an opinion of market value. In the discounted cash flow method, anticipated future cash flows and a reversionary value are discounted to an opinion of net present value at a chosen yield rate (internal rate of return).

Based upon the above, the discounted cash flow method is appropriate in this assignment.

POTENTIAL GROSS INCOME

Generally, Manhattan office tenants pay fixed gross rent on a rentable area basis, which is consistent with space measurement standards for buildings of similar vintage, plus any increases in operating expenses and real estate taxes above stipulated base year amounts. Tenant electric costs are either directly metered, sub metered or rent inclusion (charged as additional rent).

MEASUREMENT

Space measurement standards in Manhattan office buildings vary from building to building. Typically, the usable area of each floor (gross area less core) is multiplied times an add-on factor to arrive at rentable area. The add-on factor varies from building to building and is influenced most by the strength or weakness of the leasing market. The ratio of rentable area to usable area is known as the loss factor.

There are three main units of measurement typically used in leasing and marketing Manhattan office space. These include gross area, rentable area and usable area. These units of measurement may be summarized as follows:

Gross Area:	Gross area is the actual square footage measured from the outside walls. An architect typically determines gross area.
Rentable Area:	Rentable area is an economic measurement made by the landlord, which is used to establish the area for each space in an office building for which the tenant will pay rent.
Usable Area:	Usable area is a measurement made by the landlord based upon standards recommended by the Real Estate Board of New York (REBNY). (Gross area excluding vertical penetrations such as stairwells, elevator shafts, elevator machines and risers, fire towers and courts including the nominal four inch enclosing walls but including elevator lobbies, restrooms and columns as usable square footage).
Carpetable Area:	Carpetable area is the actual area used by the tenant excluding elevator lobbies, restrooms and columns. The tenants' architect typically determines carpetable area.

Two other definitions are important and may be summarized as follows:

Loss Factor: The ratio expressed as a percentage of Rentable Area to Usable Area (1 – Usable/Rentable = Loss Factor %) or Carpetable area (1-Carpetable/Rentable = Loss Factor %).

Add-On Factor: The multiple applied to the Usable or Carpetable square footage.

New York City is the only office market in the United States that employs this methodology. Manhattan tenants are very sophisticated and most are represented by both experienced real estate attorneys and leasing brokers who engage a number of professionals including architects and designers to measure a prospective space and negotiate with landlords over the terms of their lease contracts. These professionals are fully aware of the various measurements standards.

Landlords who use outdated measurements are at a distinct disadvantage when rental rates fall within a relatively tight range. It has been our experience that building measurements are typically adjusted upward in periods of increased demand, but typically do not decrease in periods of weak demand. Conversely, square foot rental rates increase and decrease with the strength or weakness of the market. Tenants are fully aware of the landlords' use of rentable square footage as a "pricing vehicle" or method of increasing rent so as to enable their property to successfully compete with other office buildings. Landlords, when measuring their building, typically employ architectural or design firms who produce space by space measurements which quantify the changes in square footage for each tenant. As leases expire, the remeasured square footage is applied and a new rent is negotiated.

Using very general measurements as an example, rentable areas of buildings in New York City exceed the gross building areas by factors ranging from 15 to 25 percent per floor which translates to loss factors of 22 to 28 percent per floor based upon REBNY measurements and 26 to 32 percent per floor based upon typical architects' carpetable measurement. These examples assume a full floor tenant. The loss factors are greater for partial floor tenancies. Based on our conversations with brokers active in the market, the REBNY loss factor of the subject property of about 27.00 percent is consistent in the market.

OCCUPANCY STATUS

The property, 40 Wall Street, is currently 95.02 percent leased to 72 office tenants and four retail tenants. There are 8 vacant office spaces within the property totaling 55,695 square feet and one vacant retail space on the grade level containing 791 square feet.

The property includes 1,130 square feet of storage space in the basement and upper floors; 46,551 square feet of retail space on the ground floor, basement and mezzanine floor; and 1,117,526 square feet of above grade office space. The building's total net rentable area is 1,165,207 square feet. A breakdown of average contract rents per space type is as follows:

OCCUPANCY STATUS						
Tenant Type	Total Square Footage	Leased Square Footage	Percent Leased	Vacant Square Footage	Percent Vacant	Average Rent/SF
Office Space	1,117,526	1,061,831	91.13%	55,695	4.78%	$33.40
Retail Space	46,551	44,260	3.80%	2,291	0.20%	$72.45
Storage Space	1,130	1,130	0.10%	-	0.00%	$28.51
Total	**1,165,207**	**1,107,221**	**95.02%**	**57,986**	**4.98%**	

The following table contains a summary of rent roll per space type.

RENT ROLL REPORT

	SUITE	TENANT	AREA / SF	BEGIN DATE	END DATE
Storage and Other Tenants					
1	Bsmt	Solomon Blum	240	Sep-00	Jul-20
2	Grade	Green Ivy	890	Dec-13	Dec-45
3	Roof	At&T Gre Lease Administration	1	Feb-00	Dec-45
4	Roof	Cogent Communications Inc	1	Mar-01	Dec-45
5	Roof	Cypress Communications Inc.	1	Mar-97	Dec-45
6	Roof	MCI Worl Com Lease Admin	1	May-97	Dec-45
7	Roof	Metro Pcs New York LLC	1	Sep-08	Dec-45
8	Roof	North American Mobile	1	Nov-10	Dec-45
9	Roof	RCN Business Solution	1	Apr-03	Dec-45
10	Roof	Sprint National Lease Mgmt	1	Feb-01	Dec-45
11	Roof	Time Warner Axs of NY	1	Apr-97	Dec-45
12	Roof	XO Communications	1	Nov-99	Dec-45
Retail Tenants					
13	Bsmt	SAV Cafe	1,900	Apr-97	Jun-15
14	Bsmt	To-Be-Leased	1,500	Sep-15	Aug-25
15	Grade	Neopolitan Express	550	Jan-14	Mar-34
16	Grade	To-Be-Leased	791	Sep-15	Aug-25
17	Grade	Dean & DeLuca	18,500	Jun-15	Aug-31
18	Grade	Duane Reade	18,092	Jul-11	Jan-32
19	Mezz	Duane Reade	5,218	Jul-11	Jan-32
Major Office Tenants					
20	0200	Green Ivy	13,476	Dec-13	Dec-45
21	0300	Green Ivy	33,156	Dec-13	Dec-45
22	0400	Green Ivy	38,828	Dec-13	Dec-45
23	0501	GDS Publishing Inc	20,240	Oct-09	Sep-16
24	0600	The Harry Fox Agency Inc	36,921	Jun-12	May-26
25	0701	Hadassah, The Women's Zionist	9,561	Dec-14	Sep-35
26	0704	Girl Scout Council of Greater	17,507	Feb-15	Oct-31
27	0800	Hadassah, The Women's Zionist	36,614	Dec-14	Sep-35
28	0900	Haks Engineering & Land	36,490	Dec-13	Mar-29
29	1000	First Investors Mgmt Company	36,490	May-13	Jul-29
30	1100	Haks Engineering & Land	33,426	Jun-06	Mar-29
31	1200	Countrywide Insurance Company	31,942	Mar-11	Aug-21
32	1301	Countrywide Insurance Company	17,715	Mar-11	Aug-21
33	1400	Countrywide Insurance Company	32,645	Mar-11	Aug-21
34	1501	SS&C Technologies Holdings	12,066	Jan-12	Oct-22
35	1502	IBIS World Inc	16,209	Jan-12	Feb-22
36	1503	IBIS World Inc	3,947	Oct-13	Feb-22
37	1603	XO Communications LC	20,586	Mar-10	Mar-22
38	1705	Prodigy Network NY LLC	12,797	Mar-15	May-25
39	1800	Weidlinger Associates Inc	32,875	Nov-11	Jan-33
40	1900	Weidlinger Associates Inc	28,207	Nov-11	Jan-33
41	2000	Huron Consulting Services LLC	28,812	Sep-11	Jul-22
42	2100	Duane Reade	27,250	Oct-12	Mar-28
43	2200	Duane Reade	27,250	Oct-12	Mar-28
44	2301	Leslie E. Robertson Associates	19,967	Apr-12	Feb-28
45	2400	The Global Alliance	28,465	Sep-07	Dec-17
46	2600	Newman Myers Kreines Gross	15,354	Aug-12	Dec-22
47	2800	Office Space Solutions Inc	14,114	Aug-06	May-17
48	2900	Office Space Solutions Inc	13,544	Aug-06	May-17

RENT ROLL REPORT (CONTINUED)

	SUITE	TENANT	AREA / SF	BEGIN DATE	END DATE
Major Office Tenants					
49	3400	ICF Consulting Group Inc	12,562	Aug-11	Jan-22
50	3602	Halperin Battaglia Benzija, LLC	3,294	Feb-13	Apr-23
51	3700	Halperin Battaglia Benzija, LLC	8,840	Feb-13	Apr-23
52	4200	Freedom Holdings Group	9,372	Oct-13	Feb-20
53	4301	Freedom Holdings Group	4,247	Oct-13	Feb-20
54	4302	Telstra Inc	5,125	Oct-10	Sep-20
55	4400	Telstra Inc	9,372	Oct-10	Sep-20
56	5700	Magna Group LLC	8,025	Feb-15	Sep-27
57	5800	Magna Group LLC	8,227	Feb-15	Sep-27
Minor Office Tenants					
58	0502	R-Jet Products	7,500	Feb-14	Aug-16
59	0503	Xcitek Solutions Plus LLC	6,288	Nov-10	Oct-20
60	0702	World Zionist Organization-Ame	2,990	Jan-15	Jul-25
61	0703	To-Be-Leased	8,693	Sep-15	Aug-25
62	1302	NFP Property And Casualty Serv	6,202	Jun-15	Jul-25
63	1303	To-Be-Leased	9,327	Dec-15	Nov-25
64	1601	To-Be-Leased	5,772	Dec-15	Nov-25
65	1602	Core Staffing Services	5,845	May-10	Sep-17
66	1701	Coastal Trade Securities	4,706	Mar-12	Jun-17
67	1702	Topeka Capital Markets Inc	2,059	Feb-11	Jun-21
68	1703	Topeka Capital Markets Inc	4,905	Feb-11	Jun-21
69	1704	Jaskim Inc.	4,808	Dec-09	Jul-20
70	1706	United Advisors LLC	3,412	Jun-11	May-16
71	2302	Paulson Investment Co.Inc.	5,480	Jun-13	Sep-18
72	2501	Boyce Technologies Inc	6,166	Apr-13	Jul-20
73	2502	The Judge Group	4,269	May-08	May-18
74	2503	Jajan, Pllc	4,417	May-14	Jun-22
75	2504	To-Be-Leased	4,698	Mar-16	Feb-26
76	2701	Bureau Van DIJK	7,987	Feb-11	Jun-18
77	2702	Zaremba Brownell & Brown	3,954	Feb-10	Jan-25
78	2703	Zaremba Brownell & Brown	2,106	Jul-11	Jan-25
79	2704	Tachlees International	1,377	Sep-12	Nov-17
80	3001	NFP Property And Casualty Serv > Va	3,728	Aug-11	Jun-17
81	3002	JH Darbie & Co Holdings LLC	4,384	Jul-14	Jun-21
82	3003	Halen Capital Management Inc.	5,433	Dec-11	Feb-19
83	3101	P&B Partners LLC	3,616	Jun-15	Sep-22
84	3102	The Heffner Agency Inc	9,869	Feb-15	Oct-30
85	3201	Larocca Hornik Rosen Greenberg	3,450	Jan-10	Feb-20
86	3202	N.Cheng & Co.	5,759	Apr-15	Sep-27
87	3203	UBS Financial Services LLC	2,682	Mar-99	Feb-17
88	3301	Law Offices of Edward M. Rosen	3,689	Feb-12	Jun-17
89	3302	Leeds & Leeds Company, Inc	4,144	Jun-14	May-24
90	3302	Murphy & O'Connell > Vacate	2,525	Jan-06	Jun-15
91	3304	Frank Xu LLP and Cathay Instition	3,057	Feb-13	Mar-20
92	3500	Solomon Blum	8,288	Sep-00	Jul-20
93	3601	Masscomm Inc.	5,554	Nov-12	Apr-23
94	3801	Oakwood Asset Mgmt LLC	2,086	Jan-10	Jan-20
95	3802	NYG Capital LLC	5,310	Jan-10	Dec-22
96	3900	Euroclear Bank Sa	8,313	Mar-08	Jul-18
97	4000	Camacho Mauro Mulholland, LLP	8,941	Jun-15	Nov-25
98	4100	Park Jensen Bennett LLP	9,277	Oct-14	Jun-27
99	4500	Hidrock Realty Inc.	9,372	Jun-15	Jan-26

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RENT ROLL REPORT (CONTINUED)

	SUITE	TENANT	AREA / SF	BEGIN DATE	END DATE
Minor Office Tenants					
100	4600	RG Michals	9,372	Jun-11	Aug-21
101	4701	Grandfield & Dodd LLC	4,642	Jan-14	Jan-24
102	4702	Diversified Mercury Communicat	4,730	Sep-14	Dec-21
103	4800	Brokerage & Management Corp	9,263	Jul-10	Jul-22
104	4900	Public Financial Management In	9,263	Jul-12	Dec-22
105	5000	Access Intelligence LLC	9,248	Mar-12	Jul-22
106	5100	ID Matters, LLC	9,248	Mar-15	Jul-25
107	5200	Piyi Investment Ltd	9,248	Apr-13	Dec-23
108	5300	Harris, O'Brien, St. Laurent	9,248	Jun-15	Nov-25
109	5400	To-Be-Leased	9,248	Mar-16	Feb-26
110	5500	Cenegenics LLC	9,248	Mar-13	Mar-23
111	5600	Charles W. Cammack & Associates	9,248	May-15	Jan-31
112	5900	To-Be-Leased	7,900	Jun-16	May-26
113	6000	Reliance Capital LLC	6,191	Jun-15	Jan-26
114	6100	To-Be-Leased	6,243	Jun-16	May-26
115	6200	To-Be-Leased	3,814	Jun-16	May-26
116	6300	RCL Advisors	3,416	May-07	Apr-17
	Total		**1,165,207**		

LEASE STRUCTURE OF THE SUBJECT PROPERTY

The property is leased to 24 major office tenants. The two largest office tenants in the property are Green Ivy and Country-Wide Insurance. Green Ivy leases 85,460 square feet on the 2nd through 4th floors. Country-Wide Insurance leases 82,302 square feet on the 12th through 14th floors. Together, the leases with Green Ivy and Country-Wide Insurance represent over 14 percent of the property's rentable area.

The remaining major office tenants in the building include Duane Reade (54,500 square feet) on the 21st and 22nd floors; Haks Engineering & Land (54,500 square feet) on the 9th and 11th floors; Weidlinger Associates Inc (61,082 square feet) on the 18th and 19th floors; Hadassah, The Women's Zionist (46,175 square feet) on the 7th and 8th floors; The Harry Fox Agency (36,921 square feet) on the 6th floor; First Investors Mgmt Company (36,940 square feet) on the 10th floors; Huron Consulting Services LLC (28,812 square feet) on the 20th floor; and The Global Alliance (28,465 square feet) on the 24th floor. Together, these tenants represent over 38 percent of the property's rentable area.

The remaining 14 major office tenants occupy smaller spaces ranging from 12,066 to 27,658 square feet, representing 12.6 percent of the property's rentable area.

The balance of office space in the building is leased to 48 office tenants that lease smaller units of space. These spaces range from 1,377 to 9,930 square feet. These firms represent a mixture of industries including insurance, law, communication and financial services. The minor office tenancies represent less than 30 percent of the property's total rentable area. These tenants are classified as minor office tenants for the purpose of calculating future concession packages on rollover (free rent and tenant work letter), which are less generous than major office tenants concession packages.

In addition to office space, the subject property is leased to four retail tenants that include Dean & Deluca and Neopolitan Express along the Wall Street side of the building. Neopolitan Express leases 550 square feet on the grade while Dean & Deluca leases 18,500 square feet on the grade. Duane Reade leases 23,310 square feet with frontage along Pine Street. Sav Café Inc. leases 1,900 square feet in the basement of the building. In addition, there is one vacant retail space on the ground floor totaling 791 square feet available for lease. The retail space within the property totals 46,551 square feet. The tenant leases may be summarized as follows:

LEASE SUMMARY REPORT

Tenant Name	Rentable Area (SF) Rent Roll	Rentable Area (SF) Remeasured	% of Total NRA	Current Annual Base Rent	% of Annual Base Rent	Annual Base Rent (SF)	Lease Expiration
Green Ivy	85,460	85,460	7.33%	$2,563,800	6.58%	$30.00	Dec-45
Countrywide Insurance Company	82,302	82,302	7.06%	$2,057,550	5.28%	$25.00	Aug-21
Haks Engineering & Land	69,916	69,916	6.00%	$2,153,747	5.53%	$30.80	Mar-29
Weidlinger Associates Inc	61,082	61,082	5.24%	$1,649,214	4.24%	$27.00	Jan-33
Duane Reade	54,500	54,500	4.68%	$1,444,250	3.71%	$26.50	Mar-28
Hadassah, The Women's Zionist	46,175	46,175	3.96%	$1,569,950	4.03%	$34.00	Sep-35
The Harry Fox Agency Inc	36,921	36,921	3.17%	$996,867	2.56%	$27.00	May-26
First Investors Mgmt Company	36,490	36,490	3.13%	$1,167,680	3.00%	$32.00	Jul-29
Huron Consulting Services LLC	28,812	28,812	2.47%	$777,924	2.00%	$27.00	Jul-22
The Global Alliance	28,465	28,465	2.44%	$1,184,998	3.04%	$41.63	Dec-17
Office Space Solutions Inc	27,658	27,658	2.37%	$1,023,346	2.63%	$37.00	May-17
XO Communications LC	20,586	20,586	1.77%	$679,338	1.74%	$33.00	Mar-22
GDS Publishing Inc	20,240	20,240	1.74%	$688,160	1.77%	$34.00	Sep-16
IBIS World Inc	20,156	20,156	1.73%	$675,226	1.73%	$33.50	Feb-22
Leslie E. Robertson Associates	19,967	19,967	1.71%	$539,109	1.38%	$27.00	Feb-28
Girl Scout Council of Greater	17,507	17,507	1.50%	$612,745	1.57%	$35.00	Oct-31
Magna Group LLC	16,252	16,252	1.39%	$715,088	1.84%	$44.00	Sep-27
Newman Myers Kreines Gross	15,354	15,354	1.32%	$429,912	1.10%	$28.00	Dec-22
Telstra Inc	14,497	14,497	1.24%	$536,389	1.38%	$37.00	Sep-20
Freedom Holdings Group	13,619	13,619	1.17%	$585,617	1.50%	$43.00	Feb-20
Prodigy Network NY LLC	12,797	12,797	1.10%	$486,286	1.25%	$38.00	May-25
ICF Consulting Group Inc	12,562	12,562	1.08%	$427,108	1.10%	$34.00	Jan-22
Halperin Battaglia Benzija, LLC	12,134	12,134	1.04%	$467,159	1.20%	$38.50	Apr-23
SS&C Technologies Holdings	12,066	12,066	1.04%	$337,848	0.87%	$28.00	Oct-22
Total Major Office Tenants	**765,518**	**765,518**	**65.70%**	**$23,769,311**	**61.05%**	**$31.05**	
NFP Property And Casualty Serv	9,930	9,930	0.85%	$390,981	1.00%	$39.37	Jul-25
The Heffner Agency Inc	9,869	9,869	0.85%	$375,022	0.96%	$38.00	Oct-30
Hidrock Realty Inc.	9,372	9,372	0.80%	$402,996	1.04%	$43.00	Jan-26
RG Michals	9,372	9,372	0.80%	$310,494	0.80%	$33.13	Aug-21
Park Jensen Bennett LLP	9,277	9,277	0.80%	$380,357	0.98%	$41.00	Jun-27
Brokerage & Management Corp	9,263	9,263	0.79%	$370,520	0.95%	$40.00	Jul-22
Public Financial Management In	9,263	9,263	0.79%	$370,520	0.95%	$40.00	Dec-22
Access Intelligence LLC	9,248	9,248	0.79%	$342,176	0.88%	$37.00	Jul-22
ID Matters, LLC	9,248	9,248	0.79%	$406,912	1.05%	$44.00	Jul-25
Piyi Investment Ltd	9,248	9,248	0.79%	$406,912	1.05%	$44.00	Dec-23
Harris, O'Brien, St. Laurent	9,248	9,248	0.79%	$425,408	1.09%	$46.00	Nov-25
Cenegenics LLC	9,248	9,248	0.79%	$469,521	1.21%	$50.77	Mar-23
Charles W. Cammack & Associates	9,248	9,248	0.79%	$406,912	1.05%	$44.00	Jan-31
Camacho Mauro Mulholland, LLP	8,941	8,941	0.77%	$384,463	0.99%	$43.00	Nov-25
Euroclear Bank Sa	8,313	8,313	0.71%	$490,467	1.26%	$59.00	Jul-18
Solomon Blum	8,288	8,288	0.71%	$265,216	0.68%	$32.00	Jul-20
Bureau Van DIJK	7,987	7,987	0.69%	$287,532	0.74%	$36.00	Jun-18
R-Jet Products	7,500	7,500	0.64%	$180,000	0.46%	$24.00	Aug-16
Topeka Capital Markets Inc	6,964	6,964	0.60%	$229,812	0.59%	$33.00	Jun-21
Xcitek Solutions Plus LLC	6,288	6,288	0.54%	$201,216	0.52%	$32.00	Oct-20
Reliance Capital LLC	6,191	6,191	0.53%	$284,786	0.73%	$46.00	Jan-26
Boyce Technologies Inc	6,166	6,166	0.53%	$215,378	0.55%	$34.93	Jul-20
Zaremba Brownell & Brown	6,060	6,060	0.52%	$212,100	0.54%	$35.00	Jan-25
Core Staffing Services	5,845	5,845	0.50%	$205,569	0.53%	$35.17	Sep-17
N.Cheng & Co.	5,759	5,759	0.49%	$218,842	0.56%	$38.00	Sep-27
Masscomm Inc.	5,554	5,554	0.48%	$183,282	0.47%	$33.00	Apr-23
Paulson Investment Co.Inc.	5,480	5,480	0.47%	$209,281	0.54%	$38.19	Sep-18
Halen Capital Management Inc.	5,433	5,433	0.47%	$201,021	0.52%	$37.00	Feb-19
NYG Capital LLC	5,310	5,310	0.46%	$180,540	0.46%	$34.00	Dec-22
Jaskim Inc.	4,808	4,808	0.41%	$168,280	0.43%	$35.00	Jul-20
Diversified Mercury Communicat	4,730	4,730	0.41%	$208,120	0.53%	$44.00	Dec-21
Coastal Trade Securities	4,706	4,706	0.40%	$155,298	0.40%	$33.00	Jun-17
Grandfield & Dodd LLC	4,642	4,642	0.40%	$194,964	0.50%	$42.00	Jan-24
Jajan, Pllc	4,417	4,417	0.38%	$153,932	0.40%	$34.85	Jun-22
JH Darbie & Co Holdings LLC	4,384	4,384	0.38%	$166,592	0.43%	$38.00	Jun-21
The Judge Group	4,269	4,269	0.37%	$230,526	0.59%	$54.00	May-18
Leeds & Leeds Company, Inc	4,144	4,144	0.36%	$155,400	0.40%	$37.50	May-24
Law Offices of Edward M. Rosen	3,689	3,689	0.32%	$118,048	0.30%	$32.00	Jun-17
P&B Partners LLC	3,616	3,616	0.31%	$151,872	0.39%	$42.00	Sep-22
Larocca Hornik Rosen Greenberg	3,450	3,450	0.30%	$141,450	0.36%	$41.00	Feb-20
RCL Advisors	3,416	3,416	0.29%	$194,712	0.50%	$57.00	Apr-17
United Advisors LLC	3,412	3,412	0.29%	$114,302	0.29%	$33.50	May-16
Frank Xu LLP and Cathay Instition	3,057	3,057	0.26%	$113,506	0.29%	$37.13	Mar-20
World Zionist Organization-Ame	2,990	2,990	0.26%	$104,650	0.27%	$35.00	Jul-25
UBS Financial Services LLC	2,682	2,682	0.23%	$120,690	0.31%	$45.00	Feb-17
Murphy & O'Connell > Vacate	2,525	2,525	0.22%	$68,276	0.18%	$27.04	Jun-15
Oakwood Asset Mgmt LLC	2,086	2,086	0.18%	$75,096	0.19%	$36.00	Jan-20
Tachlees International	1,377	1,377	0.12%	$50,632	0.13%	$36.77	Nov-17
Total Minor Office Tenants	**296,313**	**296,313**	**25.43%**	**$11,694,584**	**30.04%**	**$39.47**	

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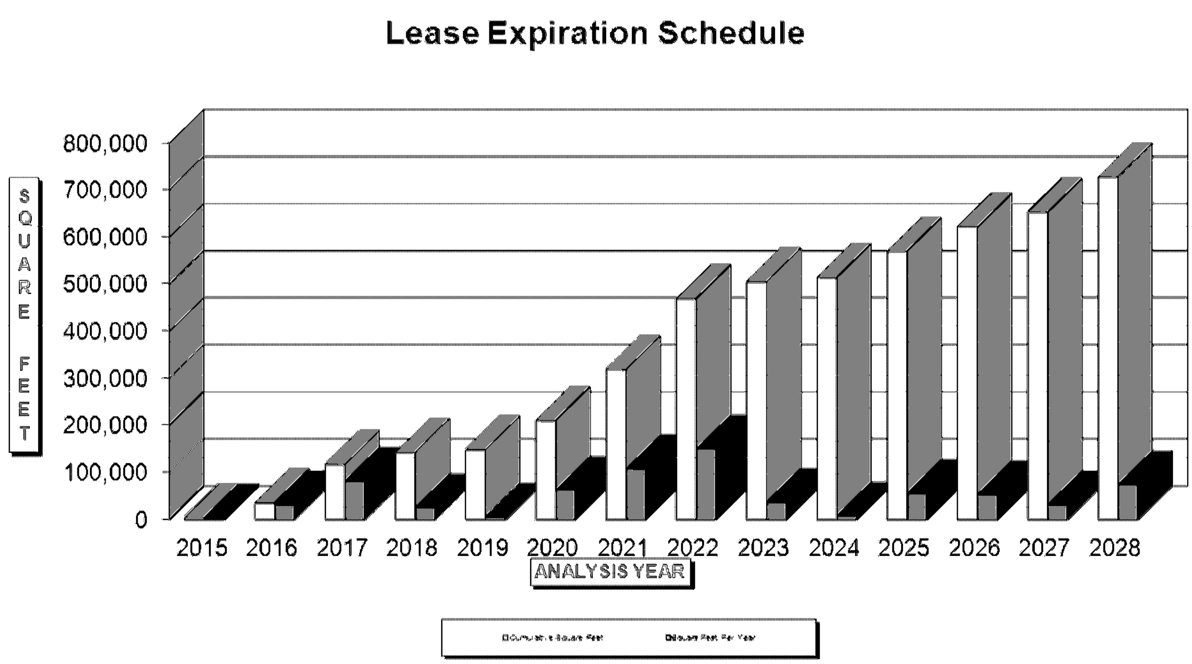
LEASE SUMMARY REPORT							
Duane Reade	23,310	23,310	2.00%	$1,425,000	3.66%	$61.13	Jan-32
Dean & DeLuca	18,500	18,500	1.59%	$1,400,000	3.60%	$75.68	Aug-31
SAV Cafe	1,900	1,900	0.16%	$47,994	0.12%	$25.26	Jun-15
Neopolitan Express	550	550	0.05%	$333,718	0.86%	$606.76	Mar-34
Total Retail Tenants	**44,260**	**44,260**	**3.80%**	**$3,206,712**	**8.24%**	**$72.45**	
Green Ivy	890	890	0.08%	$26,700	0.07%	$30.00	Dec-45
Solomon Blum	240	240	0.02%	$5,520	0.01%	$23.00	Jul-20
Total Storage Tenants	**1,130**	**1,130**	**0.10%**	**$32,220**	**0.08%**	**$28.51**	
At&T Gre Lease Administration	1	1	0.00%	$18,000	0.05%	$18,000.00	Dec-45
Cogent Communications Inc	1	1	0.00%	$20,342	0.05%	$20,342.00	Dec-45
Cypress Communications Inc.	1	1	0.00%	$10,104	0.03%	$10,104.00	Dec-45
MCI Worl Com Lease Admin	1	1	0.00%	$9,000	0.02%	$9,000.00	Dec-45
Metro Pcs New York LLC	1	1	0.00%	$59,703	0.15%	$59,703.00	Dec-45
North American Mobile	1	1	0.00%	$29,076	0.07%	$29,076.00	Dec-45
RCN Business Solution	1	1	0.00%	$10,210	0.03%	$10,210.00	Dec-45
Sprint National Lease Mgmt	1	1	0.00%	$50,902	0.13%	$50,902.00	Dec-45
Time Warner Axs of NY	1	1	0.00%	$7,500	0.02%	$7,500.00	Dec-45
XO Communications	1	1	0.00%	$18,000	0.05%	$18,000.00	Dec-45
Total Roof Tenants	**10**	**10**	**0.00%**	**$232,837**	**0.60%**		
Total Vacant Office	**55,695**	**55,695**	**4.78%**				
Total Vacant Retail	**2,291**	**2,291**	**0.20%**				
Total Net Rentable Area	**1,165,207**	**1,165,207**	**100.00%**	**$38,935,664**	**100.00%**	**$33.42**	

LEASE EXPIRATIONS

The lease expiration schedule is an important investment consideration. As leases rollover, the landlord will be required to negotiate a renewal lease with the existing tenant, or to secure a new tenant for the space. Following is the projected lease expiration schedule for this property incorporating all projected lease expirations forecast during the analysis period

LEASE EXPIRATION SCHEDULE

Year Expiration	Expiring Square Footage Per Rent Roll		% of Square Footage	Cumulative	% of Total Rentable Area	Annual Base Rent On Expiration	Annual Base Rent/SF	% of Total Rent	Cumulative
2015	4,425	4,425	0.38%	4,425	0.38%	$116,270	$26.28	0.25%	0.25%
2016	31,152	31,152	2.67%	35,577	3.05%	$982,462	$31.54	2.09%	2.34%
2017	81,566	81,566	7.00%	117,143	10.05%	$3,307,047	$40.54	7.04%	9.38%
2018	26,049	26,049	2.24%	143,192	12.29%	$1,267,343	$48.65	2.70%	12.08%
2019	5,433	5,433	0.47%	148,625	12.76%	$222,318	$40.92	0.47%	12.56%
2020	62,499	62,499	5.36%	211,124	18.12%	$2,491,991	$39.87	5.31%	17.86%
2021	107,752	107,752	9.25%	318,876	27.37%	$3,342,676	$31.02	7.12%	24.98%
2022	150,653	150,653	12.93%	469,529	40.30%	$5,493,934	$36.47	11.70%	36.69%
2023	36,184	36,184	3.11%	505,713	43.40%	$1,729,853	$47.81	3.68%	40.37%
2024	8,786	8,786	0.75%	514,499	44.16%	$425,083	$48.38	0.91%	41.28%
2025	55,486	55,486	4.76%	569,985	48.92%	$2,502,074	$45.09	5.33%	46.61%
2026	52,484	52,484	4.50%	622,469	53.42%	$1,968,427	$37.51	4.19%	50.80%
2027	31,288	31,288	2.69%	653,757	56.11%	$1,764,556	$56.40	3.76%	54.56%
2028	74,467	74,467	6.39%	728,224	62.50%	$2,494,645	$33.50	5.31%	59.87%
2029 & Above	378,997	378,997	32.53%	1,107,221	95.02%	$18,840,794	$49.71	40.13%	100.00%
Vacant	57,986	57,986	4.98%	1,165,207	100.00%	--	--		
Analysis Period CY 2015 - 2029 (14 years)									
Totals	**728,224**	**728,224**	**62.50%**			**$28,108,678**		**59.87%**	
Average	**52,016**	**52,016**	**4.46%**			**$2,007,763**		**4.28%**	
Entire Property CY 2015 - 2029 (15 years)									
Totals	**1,165,207**	**1,165,207**	**100.00%**			**$46,949,472**		**100.00%**	
Average	**77,680**	**77,680**	**6.67%**			**$3,129,965**		**6.67%**	



Compiled by Cushman & Wakefield, Inc

CUSHMAN & WAKEFIELD
VALUATION & ADVISORY

The following table provides a synopsis of the lease expiration anticipated at this property during the analysis period.

LEASE EXPIRATION ANALYSIS		
Total NRA of Subject Property (SF)	1,165,207	100.00%
Year of Peak Expiration	8	
SF Expiring in Peak Year	150,653	12.93%
5-Year Cumulative Expirations (SF)	148,625	12.76%
14-Year Cumulative Expirations (SF)	728,224	62.50%

Compiled by Cushman & Wakefield, Inc.

Based upon the subject's current lease expiration schedule, over 62 percent of the property's rentable area is represented by leases due to expire during the analysis period (through 2024). 4,425 square feet is due to expire through 2015.

The major rollover years in the analysis period occur in 2017, 2021 and 2022. In 2017, 81,566 square feet (7 percent) of the property's rentable area expires; in 2021, 107,752 square feet (9.25 percent) of the property's rentable area expires, and in 2022, 150,653 square feet (12.94 percent) expires. The largest lease expiration occurs in 2015 when the lease expires with Countrywide Insurance Company. The average rollover over the next 14 years is 4.47 percent per year with most risk occurring in 2022.

OPINION OF POTENTIAL GROSS INCOME

We have developed an opinion of market rental rates by examining recent leases in the subject building and by investigating recent rental rates in the competitive buildings in the marketplace.

MARKET RENTAL RATE – OFFICE SPACE

Leasing brokers have indicated that the Downtown office leasing market has improved, although at a lesser pace when compared to Midtown Manhattan. However, the leasing brokers expect the recovery will continue in 2015 because of positive job market numbers and a rising demand.

According to Cushman & Wakefield's Research department, Downtown's overall vacancy rate increased to 10.4 percent from 9.7 percent at the end of 2014, primarily due to nearly 550,000 square feet that entered the Downtown market at 28 Liberty Street. Despite this addition, strong leasing activity has driven overall vacancy down from 11.2 percent from this time last year. Class B available space continued to decline, with the direct vacancy rate falling from 7.9 percent to 5.1 percent over the past two years. This is driving activity in class A space, as low-cost options dry up.

At 1.0 million square feet, leasing activity fell 40.7 percent from Q1 2014. The decline in leasing is not due to a lack of demand, as several sizeable transactions were completed during the quarter. The largest new leases were signed by WeWork for 233,174 square feet at 85 Broad Street followed by OSP Group's 157,210 square feet lease at One New York Plaza. At 123 William Street, Planned Parenthood leased 65,000 square feet.

Downtown average asking rents continued to increase as direct asking rents rose to $58.71 per square foot, up 17.0 percent from one year ago. Downtown overall asking rents reached $57.58 per square foot, the highest quarterly level ever recorded in this market. Current class A direct asking rents are up $16.21 per square foot over the past two years – largely as a result of top-end space added to the market. At $72.65 per square foot, the World Trade submarket has the highest class A direct asking rents in the Downtown market.

In our analysis of the comparable leases, we have considered seven lease attributes: rent concessions, time (market conditions), location, floor level, quality, size and condition. Percentage adjustments between the subject property and the comparable leases were made for each of these factors.

In estimating market rent for the subject property, we analyzed and examined several sources of market information. We analyzed the range in unadjusted and adjusted rents in actual recent leases from comparable buildings. We have also researched the asking rents for several comparable properties, which are summarized within the sub market analysis section of this report. As another source to determine market rent for the subject property, we reviewed the subject's existing leases. In addition to analyzing actual deals inside and outside the property, leasing brokers were interviewed in an effort to ascertain market rent in the marketplace today. Our analysis and conclusions are discussed within this report.

Market rent for the office space within the property has been estimated by analyzing **ten** comparable leases exhibited on the adjustment grid on the **subsequent chart**.

Adjustments to the Comparables

Our adjustment for rent concessions considers the equivalency between the comparables for market standard free rent of twelve months and work letters of $50.00 per square foot. The adjustment for rent concessions equivalency attempts to quantify ($ per square foot) the differences between market free rent and work letter between the subject and the comparables. The differences between free rent and work letter (+/-) is divided by the comparable's lease term, and applied to the beginning "face" rent of the comparable lease. Although this methodology does not take into account amortization of rental increases over the lease term, we believe this is a simplistic approach to understanding the equivalency of concessions on beginning base rent. The rent concession equivalency adjustment calculation may be summarized as follows:

RENT CONCESSION ADJUSTMENT SUMMARY	
FREE RENT ADJUSTMENT	WORKLETTER ADJUSTMENT
Comparable Free Rent	Comparable Workletter
Less: Market Standard	Less: Market Standard
Equals: Over (Under) Standard	Equals: Over (Under) Standard
Divided by Comparable Monthly Lease Term	Divided by Comparable Lease Term
Times: Beginning Base Rent	Equals: Equivalency Adjustment
Equals: Equivalency Adjustment	

It should be noted that comparable office rentals and adjusted market rental range on the following chart are used to lend support to our estimate of market rent. We have attempted to make adjustments to the beginning year "face" rent per square foot of each comparable lease for rent concessions, time (market conditions), location, floor level, quality, size and location. A degree of subjectivity is involved in these adjustments, as insufficient market data were available to perform a paired sales analysis. However, the adjustments do illustrate our thought processes in comparing one lease transaction with another. We have attempted to analyze each aspect of the comparable leases including beginning year base rent, rental bumps, tenant improvements, free rent and adjusted beginning year base rent per square foot.

We present on the **following pages** a summary of pertinent details of leases in competitive buildings that we analyzed in estimating market rent for the subject property.

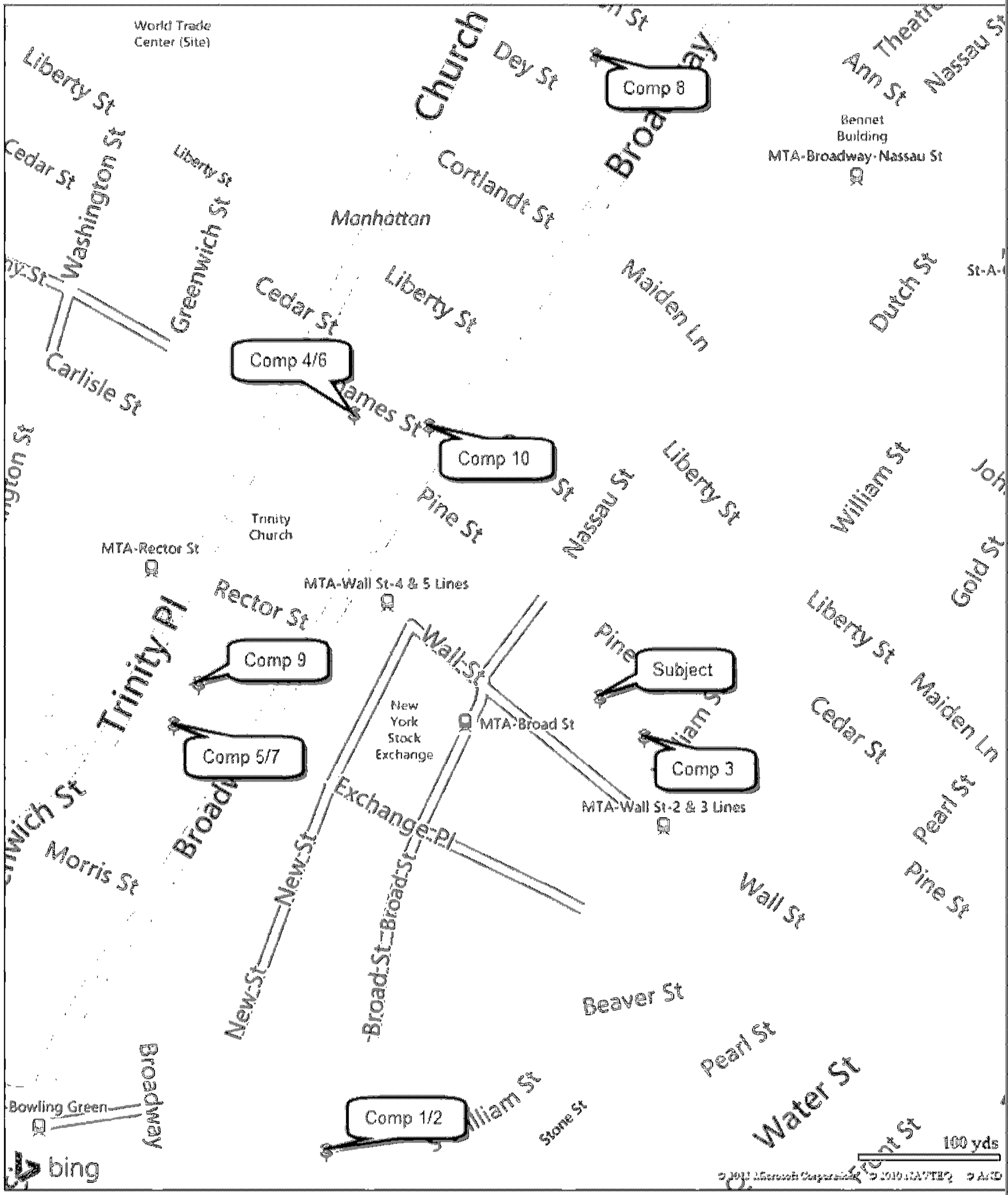
COMPARABLE OFFICE RENTS AND ADJUSTMENTS

PROPERTY INFORMATION	SUBJECT	RENTAL 1		RENTAL 2		RENTAL 3		RENTAL 4		RENTAL 5	
ADDRESS	40 Wall Street New York City	80 Broad Street New York City		80 Broad Street New York City		44 Wall Street New York City		111 Broadway New York City		55 Broadway New York City	
YEAR BUILT	1929 / 1965	1931		1931		1926		1905		1981/1987	
OFFICE NRA (SF)	1,164,673	352,000		352,000		275,780		427,598		358,637	
NO.STORIES	63	36		36		24		21		32	
LEASE INFORMATION											
TENANT NAME		Battery Point Financial		Emerald Financial		Leo J. Shapiro & Associates		NYC Charter School Center		Hair Club for Men	
FLOOR(S) LEASED		Pt. 31st		Pt. 31st		Pt. 6th		Pt. 6th		Pt. 30th	
LEASE DATE	June 2015	May 2015		May 2015		May 2015		May 2015		May 2015	
TERM		5.17		5.17		5.08		10.66		10.50	
LEASE TYPE	Gross	Gross		Gross		Gross		Gross		Gross	
TENANT SIZE		3,787		2,800		3,204		9,304		8,487	
RENT PER SF		$45.00	Yr. 1	$47.00	Yr. 1	$41.00	Yr. 1	$46.00	Yr. 1	$55.00	Yr. 1
						$43.00	Yr. 4	$50.00	Yr. 6	$58.00	Yr. 6
FREE RENT(MONTHS)	10	2		2		1		8		6	
WORKLETTER (PSF)	$50.00	$65.00		$65.00		$65.00		$65.00		$62.50	
ADJUSTMENTS											
RENT CONCESSIONS		$2.90		$3.16		$3.10		($0.69)		$0.56	
EFFECTIVE ADJUSTED RENT PER SF		$47.90		$50.16		$44.10		$45.31		$55.56	
MONTHS FROM VALUE DATE		2		2		2		2		2	
TIME (MARKET CONDITIONS)		0.0%		0.0%		0.0%		0.0%		0.0%	
TIME ADJUSTED RENT PER SF		$47.90		$50.16		$44.10		$45.31		$55.56	
LOCATION		0%		0%		0%		0%		0%	
FLOOR		0%		0%		0%		0%		0%	
QUALITY		0%		0%		5%		0%		-5%	
SIZE		-10%		-10%		-10%		-5%		-5%	
CONDITION		0%		0%		0%		0%		0%	
TOTAL ADJUSTMENT		-10%		-10%		-5%		-5%		-10%	
INDICATED NET RENT PER SF		**$43.11**		**$45.14**		**$41.90**		**$43.05**		**$50.00**	

COMPARABLE OFFICE RENTS AND ADJUSTMENTS

PROPERTY INFORMATION	SUBJECT	RENTAL 6		RENTAL 7		RENTAL 8		RENTAL 9		RENTAL 10	
ADDRESS	40 Wall Street New York City	111 Broadway New York City		55 Broadway New York City		195 Broadway New York City		61 Broadway New York City		115 Broadway New York City	
YEAR BUILT	1929 / 1965	1905		1981/1987		1916		1916		1907	
OFFICE RENTABLE AREA (SF	1,164,673	427,598		358,637		875,000		548,155		409,596	
NO.STORIES	63	21		32		30		33		22	
LEASE INFORMATION											
TENANT NAME		Mark E. Seitelman Law Office, P.C.		Physique57		Namely, Inc.		Murphy Kennedy Group		The Pegasus Group LLC	
FLOOR(S) LEASED		Pt. 10th		Pt. 16th		Ent. 15th		Pt. 13th		Pt. 17th	
LEASE DATE	June 2015	March 2015		March 2015		February 2015		January 2015		January 2015	
TERM		10.25		15.00		10.00		5.00		10.33	
LEASE TYPE	Gross	Gross		Gross		Gross		Gross		Gross	
TENANT SIZE		12,000		6,992		41,137		3,027		2,787	
RENT PER SF		$46.00	Yr. 1	$50.00	Yr. 1	$53.00	Yr. 1	$44.00	Yr. 1	$46.00	Yr. 1
		$50.00	Yr. 6	$54.00	Yr. 6	$58.00	Yr. 6				
				$58.00	Yr. 11						
FREE RENT(MONTHS)	10	4		7		10		3		4	
WORKLETTER (PSF)	$50.00	$10.00		$50.00		$65.00		$10.00		$0.00	
ADJUSTMENTS											
RENT CONCESSIONS		$6.15		$0.83		($1.50)		$13.13		$7.07	
EFFECTIVE ADJUSTED RENT PER SF		$52.15		$50.83		$51.50		$57.13		$53.07	
MONTHS FROM VALUE DATE		4		4		5		6		6	
TIME (MARKET CONDITIONS)		0.0%		0.0%		0.0%		0.0%		0.0%	
TIME ADJUSTED RENT PER SF		$52.15		$50.83		$51.50		$57.13		$53.07	
LOCATION		0%		0%		0%		0%		0%	
FLOOR		0%		0%		0%		0%		0%	
QUALITY		0%		-5%		-10%		0%		0%	
SIZE		0%		-5%		5%		-10%		-10%	
CONDITION		0%		0%		0%		0%		0%	
TOTAL ADJUSTMENT		0%		-10%		-5%		-10%		-10%	
INDICATED GROSS RENT PER SF		**$52.15**		**$45.75**		**$48.93**		**$51.42**		**$47.76**	

OFFICE COMPARABLE MAP



The comparable office leases, as exhibited on the **previous pages**, range from $41.00 to $55.00 per square foot, gross, before adjustments and may be summarized as follows:

RENTAL COMPARABLE NO. 1 involves a 3,787 square foot office lease within 80 Broad Street located on the northwest corner of Stone Street. This lease was signed in May 2015 for a 5.17-year term. The tenant leased part of the 31st floor. The initial base rent was $45.00 per square foot. After adjusting for rent concessions (free rent and work letter), the equivalent rent is $47.90 per square foot.

In comparison to the subject property, a downward adjustment was required for size under the premise that smaller tenant spaces lease for more per square foot than larger tenant spaces. No other adjustments were required. The adjusted rent is $43.11 per square foot.

RENTAL COMPARABLE NO. 2 involves a 2,600 square foot office lease within 80 Broad Street located on the northwest corner of Stone Street. This lease was signed in May 2015 for a 5.17-year term. The tenant leased part of the 31st floor. The initial base rent was $47.00 per square foot. After adjusting for rent concessions (free rent and work letter), the equivalent rent is $50.16 per square foot.

In comparison to the subject property, a downward adjustment was required for size under the premise that smaller tenant spaces lease for more per square foot than larger tenant spaces. No other adjustments were required. The adjusted rent is $45.14 per square foot.

RENTAL COMPARABLE NO. 3 involves a 3,204 square foot office lease within 44 Wall Street located on the northwest corner of William Street. This lease was signed in May 2015 for a 5.08-year term. The tenant leased part of the 6th floor. The initial base rent was $41.00 per square foot, increasing to $43.00 per square foot in year four. After adjusting for rent concessions (free rent and work letter), the equivalent rent is $44.10 per

In comparison to the subject property, an upward adjustment was required for quality. A downward adjustment was required for size under the premise that smaller tenant spaces lease for more per square foot than larger tenant spaces. No other adjustments were required. The adjusted rent is $41.90 per square foot.

RENTAL COMPARABLE NO. 4 involves a 9,304 square foot office lease within 111 Broadway located entire block bound by Broad St, Pearl St, So. William Street and Coenties Alley. This lease was signed in May 2015 for a 10.66-year term. The tenant leased part of the 6th floor. The initial base rent was $46.00 per square foot, increasing to $50.00 per square foot in year six. After adjusting for rent concessions (free rent and work letter), the equivalent rent is $45.31 per square foot.

In comparison to the subject property, a downward adjustment was required for size under the premise that smaller tenant spaces lease for more per square foot than larger tenant spaces. No other adjustments were required. The adjusted rent is $43.05 per square foot."

RENTAL COMPARABLE NO. 5 involves a 8,487 square foot office lease within 55 Broadway located bound by Water Street, Front Street & Maiden Lane. This lease was signed in May 2015 for a 10.5-year term. The tenant leased part of the 30th floor. The initial base rent was $55.00 per square foot, increasing to $58.00 per square foot in year six. After adjusting for rent concessions (free rent and work letter), the equivalent rent is $55.56 per square foot.

In comparison to the subject property, a downward adjustment was required for quality. A downward adjustment was required for size under the premise that smaller tenant spaces lease for more per square foot than larger tenant spaces. No other adjustments were required. The adjusted rent is $50.00 per square foot.

RENTAL COMPARABLE NO. 6 involves a 12,000 square foot office lease within 111 Broadway located entire block bound by Broad St, Pearl St, So. William Street and Coenties Alley. This lease was signed in March 2015 for a 10.25-year term. The tenant leased part of the 10th floor. The initial base rent was $46.00 per square foot, increasing to $50.00 per square foot in year six. After adjusting for rent concessions (free rent and work letter), the equivalent rent is $52.15 per square foot.

In comparison to the subject property, No other adjustments were required. The adjusted rent is $52.15 per square foot.

RENTAL COMPARABLE NO. 7 involves a 6,992 square foot office lease within 55 Broadway located bound by Water Street, Front Street & Maiden Lane. This lease was signed in March 2015 for a 15-year term. The tenant leased part of the 16th floor. The initial base rent was $50.00 per square foot, increasing to $54.00 per square foot in year six, and $58.00 per square foot in year 11. After adjusting for rent concessions (free rent and work letter), the equivalent rent is $50.83 per square foot.

In comparison to the subject property, a downward adjustment was required for quality. A downward adjustment was required for size under the premise that smaller tenant spaces lease for more per square foot than larger tenant spaces. No other adjustments were required. The adjusted rent is $45.75 per square foot.

RENTAL COMPARABLE NO. 8 involves a 41,137 square foot office lease within 195 Broadway located between Dey and Fulton Streets. This lease was signed in February 2015 for a 10-year term. The tenant leased the entire 15th floor. The initial base rent was $53.00 per square foot, increasing to $58.00 per square foot in year six. After adjusting for rent concessions (free rent and work letter), the equivalent rent is $51.50 per square foot.

In comparison to the subject property, a downward adjustment was required for quality. An upward adjustment was required for size under the premise that smaller tenant spaces lease for more per square foot than larger tenant spaces. No other adjustments were required. The adjusted rent is $48.93 per square foot.

RENTAL COMPARABLE NO. 9 involves a 3,027 square foot office lease within 61 Broadway located on the southwest corner of Exchange alley. This lease was signed in January 2015 for a 5-year term. The tenant leased part of the 13th floor. The initial base rent was $44.00 per square foot. After adjusting for rent concessions (free rent and work letter), the equivalent rent is $57.13 per square foot.

In comparison to the subject property, a downward adjustment was required for size under the premise that smaller tenant spaces lease for more per square foot than larger tenant spaces. No other adjustments were required. The adjusted rent is $51.42 per square foot.

RENTAL COMPARABLE NO. 10 involves a 2,767 square foot office lease within 115 Broadway located entire block bound by Cedar, Nassau & Liberty Streets. This lease was signed in January 2015 for a 10.33-year term. The tenant leased part of the 17th floor. The initial base rent was $46.00 per square foot. After adjusting for rent concessions (free rent and work letter), the equivalent rent is $53.07 per square foot.

In comparison to the subject property, a downward adjustment was required for size under the premise that smaller tenant spaces lease for more per square foot than larger tenant spaces. No other adjustments were required. The adjusted rent is $47.76 per square foot.

After adjustment to the comparables, a range of $41.90 to $52.15 per square foot gross was revealed.

OFFICE LEASES IN THE BUILDING

The following table contains a summary of the office leases negotiated in this building.

40 WALL STREET OFFICE LEASES									
No.	Tenant	Floors	Area (SF)	Start Date	End Date	Yr/Rent		Base Year/Concessions	
1	Green Ivy	Part 2	13,476	Dec-13	Dec-45		$30.00	Tax Base:	2013/14
		Entire 3	33,156			(12/17)	$33.00	Operating Base:	2013
		Entire 4	38,828			(12/22)	$36.00	Electric:	None
			85,460			(12/27)	$39.00	Free Rent:	36 Mos.
						(12/32)	$41.42	Work letter:	N/A
						(12/37)	$45.00		
						(12/42)	$48.00		
2	Countrywide Insurance Company	Entire 12	31,942	Mar-11	Aug-21		$25.00	Tax Base:	2011
						(09/16)	$27.82	Operating Base:	2011
								Electric:	None
								Free Rent:	N/A
								Work letter:	$87.58/SF
		Part 13	17,715	Mar-11	Aug-21		$25.00	Tax Base:	2011
		Entire 14	32,645			(09/16)	$27.82	Operating Base:	2011
			50,360					Electric:	None
								Free Rent:	N/A
								Work letter:	N/A
3	Haks Engineering & Land	Entire 9	36,490	Dec-13	Mar-29		$32.00	Tax Base:	2014
						(12/18)	$35.00	Operating Base:	2014
						(12/23)	$38.00	Electric:	None
								Free Rent:	4 Mos.
								Work letter:	N/A
		Entire 11	33,426	Jun-06	Mar-29		$29.50	Tax Base:	2006/07
						(12/16)	$35.00	Operating Base:	2007
						(01/24)	$38.00	Electric:	None
								Free Rent:	N/A
								Work letter:	N/A
4	Weidlinger Associates Inc	Entire 18	32,875	Nov-11	Jan-33		$27.00	Tax Base:	2013
		Entire 19	28,207			(02/18)	$30.00	Operating Base:	2013
			61,082			(02/23)	$33.00	Electric:	None
						(02/28)	$37.00	Free Rent:	02/14 - 1 Mo. (90.04%)
									02/15 - 1 Mo. (90.04%)
									02/16 - 1 Mo. (90.04%)
									02/17 - 1 Mo. (90.04%)
									02/18 - 1 Mo. (81.03%)
								Work letter:	$65.00/SF
5	Hadassah, The Women's Zionist	Part 7	9,561	Dec-14	Sep-35		$34.00	Tax Base:	2014/15
		Entire 8	36,614			(10/20)	$37.00	Operating Base:	2014
			46,175			(10/25)	$40.00	Electric:	None
						(10/30)	$43.00	Free Rent:	10 Mos.
								Work letter:	N/A
6	The Harry Fox Agency Inc	Entire 6	36,921	Jun-12	May-26		$27.00	Tax Base:	2012/13
						(06/17)	$30.00	Operating Base:	2012
						(06/22)	$33.00	Electric:	None
								Free Rent:	12 Mos.
								Work letter:	N/A
7	First Investors Mgmt Company	Entire 10	36,490	May-13	Jul-29		$32.00	Tax Base:	2012/14
						(07/18)	$35.00	Operating Base:	2013
						(07/23)	$38.00	Electric:	None
								Free Rent:	16 Mos.
								Work letter:	$60.00/SF
8	Huron Consulting Services LLC	Entire 20	28,812	Sep-11	Jul-22		$27.00	Tax Base:	2011/12
						(07/17)	$30.00	Operating Base:	2012
								Electric:	None
								Free Rent:	N/A
								Work letter:	$60.00/SF

40 WALL STREET OFFICE LEASES (CONTD.)							
No.	Tenant	Floors	Area (SF)	Start Date	End Date	Yr/Rent	Base Year/Concessions
9	The Global Alliance	Entire 24	28,465	Sep-07	Dec-17	$41.63	Tax Base: 2007/08 Operating Base: 2008 Electric: None Free Rent: N/A Work letter: N/A
10	Office Space Solutions Inc	Entire 28 Entire 29	14,114 13,544 27,658	Aug-06	May-17	$37.00	Tax Base: 2006/07 Operating Base: 2006/07 Electric: None Free Rent: N/A Work letter: N/A
11	XO Communications LC	Part 16	20,586	Mar-10	Mar-22	$33.00 (04/20) $36.00	Tax Base: 2010 Operating Base: 2010 Electric: None Free Rent: 4 Mos. Work letter: N/A
12	GDS Publishing Inc	Part 5	20,240	Oct-09	Sep-16	$34.00	Tax Base: 2010/11 Operating Base: 2010 Electric: None Free Rent: N/A Work letter: N/A
13	IBIS World Inc	Part 15	16,209	Jan-12	Feb-22	$33.50 (06/17) $36.50	Tax Base: 2011 Operating Base: 2011 Electric: None Free Rent: N/A Work letter: N/A
		Part 15	3,947	Oct-13	Feb-22	$33.50 (09/18) $36.50	Tax Base: 2013 Operating Base: 2013 Electric: None Free Rent: N/A Work letter: N/A
14	Leslie E. Robertson Associates	Part 23	19,967	Apr-12	Feb-28	$27.00 (02/18) $30.00 (02/23) $33.50	Tax Base: 2012 Operating Base: 2012 Electric: None Free Rent: 10 Mos. Work letter: N/A
15	Girl Scout Council of Greater	Part 7	17,507	Feb-15	Oct-31	$35.00 (12/21) $39.00 (12/26) $43.00	Tax Base: Avg 2014/15 & 2015/16 Operating Base: 2015 Electric: None Free Rent: 11 Mos. Work letter: N/A
16	Magna Group LLC	Entire 57 Entire 58	8,025 8,227 16,252	Feb-15	Sep-27	$44.00 (02/16) 2.25% Inc/Yr (02/20) $53.27 (02/21) 2.25% Inc/Yr	Tax Base: 2014/15 Operating Base: None Electric: None Free Rent: 8 Mos. Work letter: N/A
17	Newman Myers Kreines Gross	Entire 26	15,354	Aug-12	Dec-22	$28.00 (01/18) $32.00	Tax Base: 2012/13 Operating Base: 2012 Electric: None Free Rent: N/A Work letter: N/A
18	Telstra Inc	Part 43 Entire 44	5,125 9,372 14,497	Oct-10	Sep-20	$37.00 (10/15) $40.00	Tax Base: 2010/11 Operating Base: 2010 Electric: None Free Rent: N/A Work letter: N/A
19	Freedom Holdings Group	Entire 42 Part 43	9,372 4,247 13,619	Oct-13	Feb-20	$43.00	Tax Base: 2008/09 Operating Base: 2008/09 Electric: None Free Rent: N/A Work letter: N/A

40 WALL STREET OFFICE LEASES (CONTD.)							
No.	Tenant	Floors	Area (SF)	Start Date	End Date	Yr/Rent	Base Year/Concessions
20	Prodigy Network NY LLC	Part 17	12,797	Mar-15	May-25	$38.00 (06/20) $42.00	Tax Base: Avg 2014/15 & 2015/16 Operating Base: 2015 Electric: None Free Rent: 3 Mos. Work letter: N/A
21	ICF Consulting Group Inc	Entire 34	12,562	Aug-11	Jan-22	$34.00 (07/16) $37.00	Tax Base: 2011 Operating Base: 2011 Electric: None Free Rent: N/A Work letter: N/A
22	Halperin Battaglia Benzija, LLC	Part 36 Entire 37	3,294 8,840 12,134	Feb-13	Apr-23	$38.50 (05/18) $41.50	Tax Base: Avg 2012/13 & 2013/14 Operating Base: 2013 Electric: None Free Rent: 3 Mos. Work letter: N/A
23	SS&C Technologies Holdings	Part 15	12,066	Jan-12	Oct-22	$28.00 (10/17) $32.00	Tax Base: 2011/12 Operating Base: 2011 Electric: None Free Rent: N/A Work letter: N/A
24	NFP Property And Casualty Services	Part 13	6,202	Jun-15	Jul-25	$40.50 (06/20) $44.50	Tax Base: Avg 2014/15 & 2015/16 Operating Base: 2015 Electric: None Free Rent: 2 Mos. Work letter: N/A
		Part 30	3,728	Aug-11	Jun-17	$37.50 (08/15) $67.38	Tax Base: 2011/12 Operating Base: 2011 Electric: None Free Rent: N/A Work letter: N/A
25	The Heffner Agency Inc	Part 31	9,869	Feb-15	Oct-30	$38.00 (10/20) $41.00 (10/25) $44.00	Tax Base: Avg 2014/15 & 2015/16 Operating Base: 2015 Electric: None Free Rent: 8 Mos. Work letter: N/A
26	Hidrock Realty Inc.	Entire 45	9,372	Jun-15	Nov-25	$43.00 (06/20) $47.00	Tax Base: Avg 2014/15 & 2015/16 Operating Base: 2015 Electric: None Free Rent: 6 Mos. Work letter: N/A
27	RG Michals	Entire 46	9,372	Jun-11	Aug-21	$33.13 (09/16) $35.96	Tax Base: 2011/12 Operating Base: 2011 Electric: None Free Rent: N/A Work letter: N/A
28	Park Jensen Bennett LLP	Entire 41	9,277	Oct-14	Jun-27	$41.00 (10/20) $45.00	Tax Base: Avg 2014/15 & 2015/16 Operating Base: 2015 Electric: None Free Rent: 8 Mos. Work letter: N/A
29	Brokerage & Management Corp	Entire 48	9,263	Jul-10	Jul-22	$40.00 (07/17) $43.00	Tax Base: 2010/11 Operating Base: 2010/11 Electric: None Free Rent: N/A Work letter: $30.00/SF
30	Public Financial Management Inc	Entire 49	9,263	Jul-12	Dec-22	$40.00 (12/17) $42.00	Tax Base: Avg 2011/12 & 2012/13 Operating Base: 2012 Electric: None Free Rent: 5 Mos. Work letter: N/A
31	Access Intelligence LLC	Entire 50	9,248	Mar-12	Jul-22	$37.00 (08/15) $40.00 (08/19) $43.00	Tax Base: Avg 2011/12 & 2012/13 Operating Base: 2012 Electric: None Free Rent: N/A Work letter: N/A

CUSHMAN & WAKEFIELD
VALUATION & ADVISORY

40 WALL STREET OFFICE LEASES (CONTD.)									
No.	Tenant	Floors	Area (SF)	Start Date	End Date	Yr/Rent		Base Year/Concessions	
32	ID Matters, LLC	Entire 51	9,248	Mar-15	Jul-25		$44.00	Tax Base:	2014/15
						(03/20)	$48.00	Operating Base:	2015
								Electric:	None
								Free Rent:	5 Mos.
								Work letter:	N/A
33	Piyi Investment Ltd	Entire 52	9,248	Apr-13	Dec-23		$44.00	Tax Base:	Avg 2012/13 & 2013/14
						(04/18)	$48.00	Operating Base:	2013
								Electric:	None
								Free Rent:	5 Mos.
								Work letter:	N/A
34	Harris, O'Brien, St. Laurent	Entire 53	9,248	Jun-15	Nov-25		$46.00	Tax Base:	2015/16
						(06/20)	$50.00	Operating Base:	2015
								Electric:	None
								Free Rent:	6 Mos.
								Work letter:	N/A
35	Cenegenics LLC	Entire 55	9,248	Mar-13	Mar-23		$50.77	Tax Base:	Avg 2011/12 & 2012/13
						(04/16)	1.95% Inc/Yr	Operating Base:	None
						(04/18)	$57.77	Electric:	None
						(04/19)	1.95% Inc/Yr	Free Rent:	1 Mo.
								Work letter:	$11.75/SF
36	Charles W. Cammack & Associates	Entire 56	9,248	May-15	Jan-31		$44.00	Tax Base:	Avg 2014/15 & 2015/16
						(02/21)	$48.00	Operating Base:	2015
						(01/26)	$51.00	Electric:	None
								Free Rent:	8 Mos.
								Work letter:	N/A
37	Camacho Mauro Mulholland, LLP	Entire 40	8,941	Jun-15	Nov-25		$43.00	Tax Base:	Avg 2014/15 & 2015/16
						(06/18)	$45.00	Operating Base:	2016
						(06/21)	$47.00	Electric:	None
								Free Rent:	6 Mos.
								Work letter:	N/A
38	Euroclear Bank Sa	Entire 39	8,313	Mar-08	Jul-18		$59.00	Tax Base:	2008/09
								Operating Base:	2008
								Electric:	None
								Free Rent:	N/A
								Work letter:	N/A
39	Solomon Blum	Entire 35	8,288	Sep-00	Jul-20		$32.00	Tax Base:	2010/11
						(08/15)	$35.00	Operating Base:	2010
								Electric:	None
								Free Rent:	6 Mos.
								Work letter:	N/A
40	Bureau Van DIJK	Part 27	7,987	Feb-11	Jun-18		$36.00	Tax Base:	2010/11
						(07/16)	$39.00	Operating Base:	2011
								Electric:	None
								Free Rent:	N/A
								Work letter:	N/A
41	R-Jet Products	Part 5	7,500	Feb-14	Aug-16		$24.00	Tax Base:	2014
								Operating Base:	2014
								Electric:	None
								Free Rent:	N/A
								Work letter:	N/A
42	Topeka Capital Market	Part 17	2,059	Feb-11	Jun-21		$33.00	Tax Base:	2010/11
		Part 17	4,905			(06/16)	$36.00	Operating Base:	2011
			6,964					Electric:	None
								Free Rent:	N/A
								Work letter:	N/A
43	Xcitek Solutions Plus	Part 5	6,288	Nov-10	Oct-20		$32.00	Tax Base:	2010/11
						(11/16)	$35.00	Operating Base:	2010/11
								Electric:	None
								Free Rent:	N/A
								Work letter:	N/A
44	Reliance Capital LLC	Entire 60	6,191	Jun-15	Jan-26		$46.00	Tax Base:	Avg 2014/15 & 2015/16
						(06/20)	$50.00	Operating Base:	2015
								Electric:	None
								Free Rent:	8 Mos.
								Work letter:	N/A

40 WALL STREET
OFFICE LEASES (CONTD.)

No.	Tenant	Floors	Area (SF)	Start Date	End Date	Yr/Rent		Base Year/Concessions	
45	Boyce Technologies Inc	Part 25	6,166	Apr-13	Jul-20		$34.93	Tax Base:	2013/14
						(08/15)	2.75% Inc/Yr	Operating Base:	None
						(02/17)	$40.88	Electric:	None
						(08/17)	2.75% Inc/Yr	Free Rent:	4 Mos.
								Work letter:	N/A
46	Zaremba Brownell & Brown	Part 27	3,954	Feb-10	Jan-25		$35.00	Tax Base:	2010
						(12/15)	$38.00	Operating Base:	2010
						(12/20)	$41.00	Electric:	None
								Free Rent:	N/A
								Work letter:	N/A
		Part 27	2,106	Jul-11	Jan-25		$35.00	Tax Base:	2011
						(05/17)	$38.00	Operating Base:	2011
						(05/22)	$41.00	Electric:	None
								Free Rent:	N/A
								Work letter:	N/A
47	Core Staffing Service	Part 16	5,845	May-10	Sep-17		$35.17	Tax Base:	Avg 2009/10 & 2010/11
								Operating Base:	2010
								Electric:	None
								Free Rent:	N/A
								Work letter:	$53.00/SF
48	N.Cheng & Co.	Part 32	5,759	Apr-15	Sep-27		$38.00	Tax Base:	Avg 2014/15 & 2015/16
						(04/16)	2.50% Inc/Yr	Operating Base:	None
						(04/18)	$42.97	Electric:	None
						(04/19)	2.50% Inc/Yr	Free Rent:	N/A
						(04/21)	$48.32	Work letter:	N/A
						(04/22)	2.50% Inc/Yr		
						(04/24)	$54.08		
						(04/25)	2.50% Inc/Yr		
49	Masscomm Inc.	Part 36	5,554	Nov-12	Apr-23		$33.00	Tax Base:	2012/13
						(06/18)	$37.00	Operating Base:	2013
								Electric:	None
								Free Rent:	6 Mos.
								Work letter:	N/A
50	Paulson Investment Co.Inc.	Part 23	5,480	Jun-13	Sep-18		$38.19	Tax Base:	Avg 2012/13 & 2013/14
						(06/16)	$39.34	Operating Base:	None
						(06/17)	$40.52	Electric:	None
								Free Rent:	3 Mos.
								Work letter:	N/A
51	Halen Capital Management Inc.	Part 30	5,433	Dec-11	Feb-19		$37.00	Tax Base:	2010
						(01/16)	$40.92	Operating Base:	2010
								Electric:	None
								Free Rent:	N/A
								Work letter:	N/A
52	NYG Capital LLC	Part 38	5,310	Jan-10	Dec-22		$34.00	Tax Base:	2010
						(01/16)	$43.00	Operating Base:	2010
						(10/19)	$46.00	Electric:	None
								Free Rent:	3 Mos.
								Work letter:	N/A
53	Jaskim Inc.	Part 17	4,808	Dec-09	Jul-20		$35.00	Tax Base:	2010
						(09/15)	$38.00	Operating Base:	2010
								Electric:	None
								Free Rent:	N/A
								Work letter:	N/A
54	Diversified Mercury Communication	Part 47	4,730	Sep-14	Dec-21		$44.00	Tax Base:	2014/15
						(09/15)	2.50% Inc/Yr	Operating Base:	None
						(09/18)	$51.64	Electric:	None
						(09/19)	2.50% Inc/Yr	Free Rent:	3 Mos.
								Work letter:	N/A

40 WALL STREET OFFICE LEASES (CONTD.)									
No.	Tenant	Floors	Area (SF)	Start Date	End Date	Yr/Rent		Base Year/Concessions	
55	Coastal Trade Securities	Part 17	4,706	Mar-12	Jun-17		$33.00	Tax Base:	Avg 2011/12 & 2012/13
								Operating Base:	2012
								Electric:	None
								Free Rent:	N/A
								Work letter:	N/A
56	Grandfield & Dodd LLC	Part 47	4,642	Jan-14	Jan-24		$42.00	Tax Base:	Avg 2012/13 & 2013/14
						(01/20)	$46.00	Operating Base:	2013
								Electric:	None
								Free Rent:	5 Mos.
								Work letter:	N/A
57	Jajan, PLLC	Part 25	4,417	May-14	Jun-22		$34.85	Tax Base:	2014
						(05/16)	2.50% Inc/Yr	Operating Base:	None
						(05/18)	$39.61	Electric:	None
						(05/19)	2.50% Inc/Yr	Free Rent:	5 Mos.
						(05/21)	$42.66	Work letter:	N/A
58	JH Darbie & Co Holdings LLC	Part 30	4,384	Jul-14	Jun-21		$38.00	Tax Base:	2014/15
						(07/15)	2.50% Inc/Yr	Operating Base:	None
						(07/18)	$43.92	Electric:	None
						(07/19)	2.50% Inc/Yr	Free Rent:	3 Mos.
								Work letter:	N/A
59	The Judge Group	Part 25	4,269	May-08	May-18		$54.00	Tax Base:	2008
						(10/15)	$57.00	Operating Base:	2008
								Electric:	None
								Free Rent:	N/A
								Work letter:	N/A
60	Leeds & Leeds Company, Inc	Part 33	4,144	Jun-14	May-24		$36.50	Tax Base:	2014/15
						(06/15)	2.75% Inc/Yr	Operating Base:	None
						(06/19)	$45.80	Electric:	None
						(06/20)	2.75% Inc/Yr	Free Rent:	4 Mos.
								Work letter:	N/A
61	Law Offices of Edward M. Rosen	Part 33	3,689	Feb-12	Jun-17		$32.00	Tax Base:	2012/13
								Operating Base:	2012
								Electric:	None
								Free Rent:	N/A
								Work letter:	N/A
62	P&B Partners LLC	Part 31	3,616	Jun-15	Sep-22		$42.00	Tax Base:	Avg 2014/15 & 2015/16
						(06/16)	3.0% Inc/Yr	Operating Base:	None
						(06/19)	$50.27	Electric:	None
						(06/20)	$51.78	Free Rent:	4 Mos.
						(06/21)	$53.33	Work letter:	N/A
63	Larocca Hornik Rosen Greenberg	Part 32	3,450	Jan-10	Feb-20		$41.00	Tax Base:	2010/11
						(03/16)	$42.00	Operating Base:	2010
						(03/18)	$44.00	Electric:	None
								Free Rent:	1 Mo.
								Work letter:	$18.84/SF
64	RCL Advisors	Entire 63	3,416	May-07	Apr-17		$57.00	Tax Base:	2007
								Operating Base:	2007
								Electric:	None
								Free Rent:	N/A
								Work letter:	N/A
65	United Advisors LLC	Part 17	3,412	Jun-11	May-16		$33.50	Tax Base:	2011/12
								Operating Base:	2011
								Electric:	None
								Free Rent:	N/A
								Work letter:	N/A

40 WALL STREET OFFICE LEASES (CONTD.)									
No.	Tenant	Floors	Area (SF)	Start Date	End Date	Yr/Rent		Base Year/Concessions	
66	Frank Xu LLP and Cathay Institiion	Part 33	3,057	Feb-13	Mar-20		$37.13	Tax Base:	2012/13
						(02/16)	3.0% Inc/Yr	Operating Base:	None
						(02/19)	$41.79	Electric:	None
								Free Rent:	2 Mos.
								Work letter:	N/A
67	World Zionist Organization	Part 7	2,990	Jan-15	Jul-25		$35.00	Tax Base:	2014/15
						(01/20)	$38.00	Operating Base:	2014
								Electric:	None
								Free Rent:	6 Mos.
								Work letter:	N/A
68	UBS Financial Service	Part 32	2,682	Mar-99	Feb-17		$45.00	Tax Base:	2004/05
								Operating Base:	2004
								Electric:	None
								Free Rent:	N/A
								Work letter:	N/A
69	Murphy & O'Connell	Part 33	2,525	Jan-06	Jun-15		$27.04	Tax Base:	2008/09
								Operating Base:	2008
								Electric:	None
								Free Rent:	N/A
								Work letter:	N/A
70	Oakwood Asset Mgmt LI	Part 38	2,086	Jan-10	Jan-20		$36.00	Tax Base:	2010
								Operating Base:	2010
								Electric:	None
								Free Rent:	N/A
								Work letter:	N/A
71	Tachlees Internationa	Part 27	1,377	Sep-12	Nov-17		$36.77	Tax Base:	2012
						(12/15)	$37.69	Operating Base:	None
						(12/16)	$38.63	Electric:	None
								Free Rent:	3 Mos.
								Work letter:	N/A

The subject property's office base rents average $33.40 per square foot, gross. The adjusted comparable rentals range from $41.90 to $52.15 with an average of $46.92 per square foot, gross. The most recent leases signed in the subject building, exhibited in the previous page chart, range from $25.00 to $61.13 per square foot, gross. Overall, we believe the average rents in the subject property are below market.

OFFICE MARKET RENTAL RATE CONCLUSION

Recent leases within Manhattan include concessions in the form of free rent and tenant work letter consistent with those offered within the subject property. In addition to analyzing actual leases inside and outside the property, leasing brokers were interviewed in an effort to ascertain competitive packages available in the marketplace today. Most brokers interviewed were of the opinion that 8 to 12 months free rent, inclusive of space build-out time, was available for most tenants. In addition, tenant work letters were felt to range from $40.00 to $50.00 per square foot. The range in concession packages varies by the size of the space leased. The larger the space, the more generous the concession package the tenant receives.

In consideration of occupied area, floor height, relative location and lease date, the comparable rental data provide fairly consistent evidence of rental rates averaging in the high $40's per square foot. This results in a range of market rent for 40 Wall Street of $45 to $52 per square foot for new leases which has been distributed by floor level as follows:

OFFICE MARKET RENT		
FLOORS	**AVERAGE FLOORPLATE (SF)**	**RENT/SF**
2 to 18	33,294	$45.00
19 to 25	26,426	$47.00
26 to 34	13,704	$50.00
35 to 63	8,387	$52.00
(Weighted Average)	**18,025**	**$47.41**

These estimated market rents assume the following concession package.

MAJOR OFFICE TENANTS				
TITLE	FREE RENT		TENANT IMPROVEMENTS	
New Leases	Year 1	12 months	Year 1	$50.00
	Thereafter	12 months	Thereafter	$50.00
Renewing Leases	Year 1	6 months	Year 1	$25.00
	Thereafter	6 months	Thereafter	$25.00

MINOR OFFICE TENANTS				
TITLE	FREE RENT		TENANT IMPROVEMENTS	
New Leases	Year 1	10 months	Year 1	$40.00
	Thereafter	10 months	Thereafter	$40.00
Renewing Leases	Year 1	5 months	Year 1	$20.00
	Thereafter	5 months	Thereafter	$20.00

The rent increase profile is as follows:

For 10 and 15-year leases, 60-month step-ups of 10% are assumed.

OFFICE MARKET RENTAL GROWTH RATE

Based on our recent survey, buyers' expectations in the Downtown Manhattan real estate market anticipate rents to increase at CPI. These changes in market conditions result in C&W's leasing brokerage group in Downtown Manhattan to forecast the following rent growths.

RENT GROWTH
Year 1 – 0%
Thereafter – 3%

We have assumed a growth rate of 3 percent beginning in year 2 of the analysis.

MARKET RENTAL RATE – RETAIL SPACE

The subject property is leased to four retail tenants that include Dean & Deluca and Neopolitan Express along the Wall Street side of the building. Neopolitan Express leases 550 square feet on the grade while Dean & Deluca leases 18,500 square feet on the grade. Duane Reade leases 23,310 square feet with frontage along Pine Street. Sav Café Inc. leases 1,900 square feet in the basement of the building. In addition, there are two vacant retail space on the ground floor and basement totaling 2,291 square feet available for lease. The tenant leases may be summarized as follows.

RETAIL CONTRACT RENT SUMMARY			
Tenant	Rent Roll Area/SF	Contract Rent	Contract Rent/SF
Pine Street Frontage			
Duane Reade Grade	18,092	$1,425,000	$78.76
Duane Reade Mezz	5,218	$0	$0.00
Total	23,310	$1,425,000	$61.13
Wall Street Frontage			
Dean & DeLuca	18,500	$1,400,000	$75.68
Neopolitan Express	550	$333,718	$606.76
Lobby			
To-Be-Leased	791	$0	$0.00
Basement			
To-Be-Leased	1,500	$0	$0.00
SAV Cafe	1,900	$47,994	$25.26
Pine Street - Grade	**18,092**	**$1,425,000**	**$78.76**
Wall Street - Grade Large	**18,500**	**$1,400,000**	**$75.68**
Wall Street - Grade Small	**550**	**$333,718**	**$606.76**
Mezzanine	**5,218**	**$0**	**$0.00**
Lobby	**791**	**$0**	**$0.00**
Basement	**3,400**	**$47,994**	**$14.12**
Total	**46,551**	**$3,206,712**	**$72.45**

Market rent for the retail space within the property has been estimated by analyzing **six** comparable leases exhibited on the charts on the following pages. In our analysis, we have considered six lease attributes: rent concessions, time (market conditions), location, quality, size and condition. Our adjustment for rent concessions considers differences in the comparables for market standard free rent period of six months with the space taken on an "as is" basis. Percentage adjustments between the subject property and the comparable leases were made for each of these factors.

Our adjustment for rent concessions considers the difference in the comparables for market standard free rent of six months and no tenant work letters. The adjustment for rent concessions attempts to quantify ($ per square foot) the differences between market free rent and work letter between the subject and the comparables. The differences between free rent and work letter (+/-) is divided by the comparable's lease term, and applied to the beginning "face" rent of the comparable lease. Although this methodology does not take into account amortization of rental increases over the lease term, we believe this is a simplistic approach to understanding the affect of concessions on beginning base rent.

COMPARABLE RETAIL RENTS AND ADJUSTMENTS

	SUBJECT	RENTAL 1		RENTAL 2		RENTAL 3	
ADDRESS	40 Wall Street	120 Wall Street		123 William Street		395 South End Avenue	
	B/w Nassau & William Streets	N/W/C South Street		B/w John & Fulton Streets		S/W/C Liberty Street	
	New York City	New York City		New York City		New York City	
LEASE INFORMATION							
TENANT NAME		OpenKitchen		OpenKitchen		Chipotle	
FRONTAGE		Wall Street		William Street		Pearl Street	
BEGINNING DATE	July 2015	January 2015		December 2014		September 2014	
TERM		10		10		15	
LEASE TYPE	Gross	Gross		Gross		Gross	
TENANT SIZE		5,500	Grade	6,000	Grade	2,361	Grade
		2,000	LL	800	LL		
		7,500		6,800			
RENT PER SF		$90.00	Yr. 1	$65.00	Yr. 1	$121.00	Yr. 1
		Incr./Yr.		Incr./Yr.		10% Incr./3 Yrs.	
FREE RENT(MONTHS)	6	6		12		6	
WORKLETTER (PSF)	$0.00	$60.00		$0.00		$31.77	
ADJUSTMENTS							
RENT CONCESSIONS		($6.00)		($3.25)		($2.12)	
EFFECTIVE ADJUSTED RENT PER SF/GRADE LEVEL		$84.00		$61.75		$118.88	
MONTHS FROM VALUE DATE		6		7		10	
TIME (MARKET CONDITIONS)		0.0%		0.0%		0.0%	
TIME ADJUSTED RENT PER SF		$84.00		$61.75		$118.88	
LOCATION		5%		5%		0%	
QUALITY		0%		0%		0%	
SIZE		-10%		-10%		-15%	
CORNER / FRONTAGE		0%		15%		-10%	
TOTAL ADJUSTMENT		-5%		10%		-25%	
INDICATED RENT PER SF		**$79.80**		**$67.93**		**$89.16**	

COMPARABLE RETAIL RENTS AND ADJUSTMENTS

	SUBJECT	RENTAL 4		RENTAL 5		RENTAL 6	
ADDRESS	40 Wall Street	20 Pine Street		40 Fulton Street		120 Broadway	
	B/w Nassau & William Street	B/w William & Broad Street		B/w Cliff & Pearl Sts.		B/w Pine & Liberty Sts.	
	New York City	New York City		New York City		New York City	
LEASE INFORMATION							
TENANT NAME		FedEx		TD Bank		World Trade Art Center	
FRONTAGE		Pine Street		Fulton Street		Broadway	
BEGINNING DATE	July 2015	June 2014		January 2014		January 2014	
TERM		10		10		10	
LEASE TYPE	Gross	Gross		Gross		Gross	
TENANT SIZE		5,733	Grade	4,500	Grade	1,574	Grade
RENT PER SF		$90.00	Yr. 1	$100.00	Yr. 1	$120.00	Yr. 1
		Incr./Yr.		Incr./Yr.		Incr./Yr.	
FREE RENT(MONTHS)	6	6		6		6	
WORKLETTER (PSF)	$0.00	$0.00		$0.00		$0.00	
ADJUSTMENTS							
RENT CONCESSIONS		$0.00		$0.00		$0.00	
EFFECTIVE ADJUSTED							
RENT PER SF/GRADE LEVEL		$90.00		$100.00		$120.00	
MONTHS FROM VALUE DATE		13		18		18	
TIME (MARKET CONDITIONS)		0.0%		0.0%		0.0%	
TIME ADJUSTED							
RENT PER SF		$90.00		$100.00		$120.00	
LOCATION		0%		5%		0%	
QUALITY		0%		0%		-5%	
SIZE		-10%		-10%		-25%	
CORNER / FRONTAGE		-5%		-10%		0%	
TOTAL ADJUSTMENT		-15%		-15%		-30%	
INDICATED RENT PER SF		**$76.50**		**$85.00**		**$84.00**	

The comparable retail leases, exhibited on the **previous pages**, range from $65.00 to $121.00 per square foot before adjustments.

RENTAL COMPARABLE NO. 1 involves a 7,500 square foot retail lease within 120 Wall Street located on the northwest corner of South Street through Pine Street. This lease was signed in January 2015 for a 10-year term. The initial base rent was $90.00 per square foot against the grade. After adjusting for rent concessions (free rent and work letter), the equivalent rent is $84.00 per square foot.

In comparison to the subject property, an upward adjustment was required for location. A downward adjustment was required for size under the premise that smaller tenant spaces lease for more per square foot than larger tenant spaces. No other adjustments were required. The adjusted rent is $79.80 per square foot against the grade.

RENTAL COMPARABLE NO. 2 involves a 6,800 square foot retail lease within 123 William Street located on the northwest corner of South Street through Pine Street. This lease was signed in December 2014 for a 10-year term. The initial base rent was $65.00 per square foot against the grade. After adjusting for rent concessions (free rent and work letter), the equivalent rent is $61.75 per square foot.

In comparison to the subject property, an upward adjustment was required for location. A downward adjustment was required for size under the premise that smaller tenant spaces lease for more per square foot than larger tenant spaces. An upward adjustment was required for corner/frontage. No other adjustments were required. The adjusted rent is $67.93 per square foot against the grade.

RENTAL COMPARABLE NO. 3 involves a 2,361 square foot retail lease within 395 South End Avenue located southwest corner of Liberty Street. This lease was signed in September 2014 for a 15-year term. The initial base rent was $121.00 per square foot against the grade. After adjusting for rent concessions (free rent and work letter), the equivalent rent is $118.88 per square foot.

In comparison to the subject property, a downward adjustment was required for size under the premise that smaller tenant spaces lease for more per square foot than larger tenant spaces. A downward adjustment was required for corner/frontage. No other adjustments were required. The adjusted rent is $89.16 per square foot against the grade.

RENTAL COMPARABLE NO. 4 involves a 5,733 square foot retail lease within 20 Pine Street located between William and Broad Streets. This lease was signed in June 2014 for a 10-year term. The initial base rent was $90.00 per square foot against the grade. After adjusting for rent concessions (free rent and work letter), the equivalent rent is $90.00 per square foot.

In comparison to the subject property, a downward adjustment was required for size under the premise that smaller tenant spaces lease for more per square foot than larger tenant spaces. A downward adjustment was required for corner/frontage. No other adjustments were required. The adjusted rent is $76.50 per square foot against the grade.

RENTAL COMPARABLE NO. 5 involves a 4,500 square foot retail lease within 40 Fulton Street located between Cliff and Pearl Streets. This lease was signed in January 2014 for a 10-year term. The initial base rent was $100.00 per square foot against the grade. After adjusting for rent concessions (free rent and work letter), the equivalent rent is $100.00 per square foot.

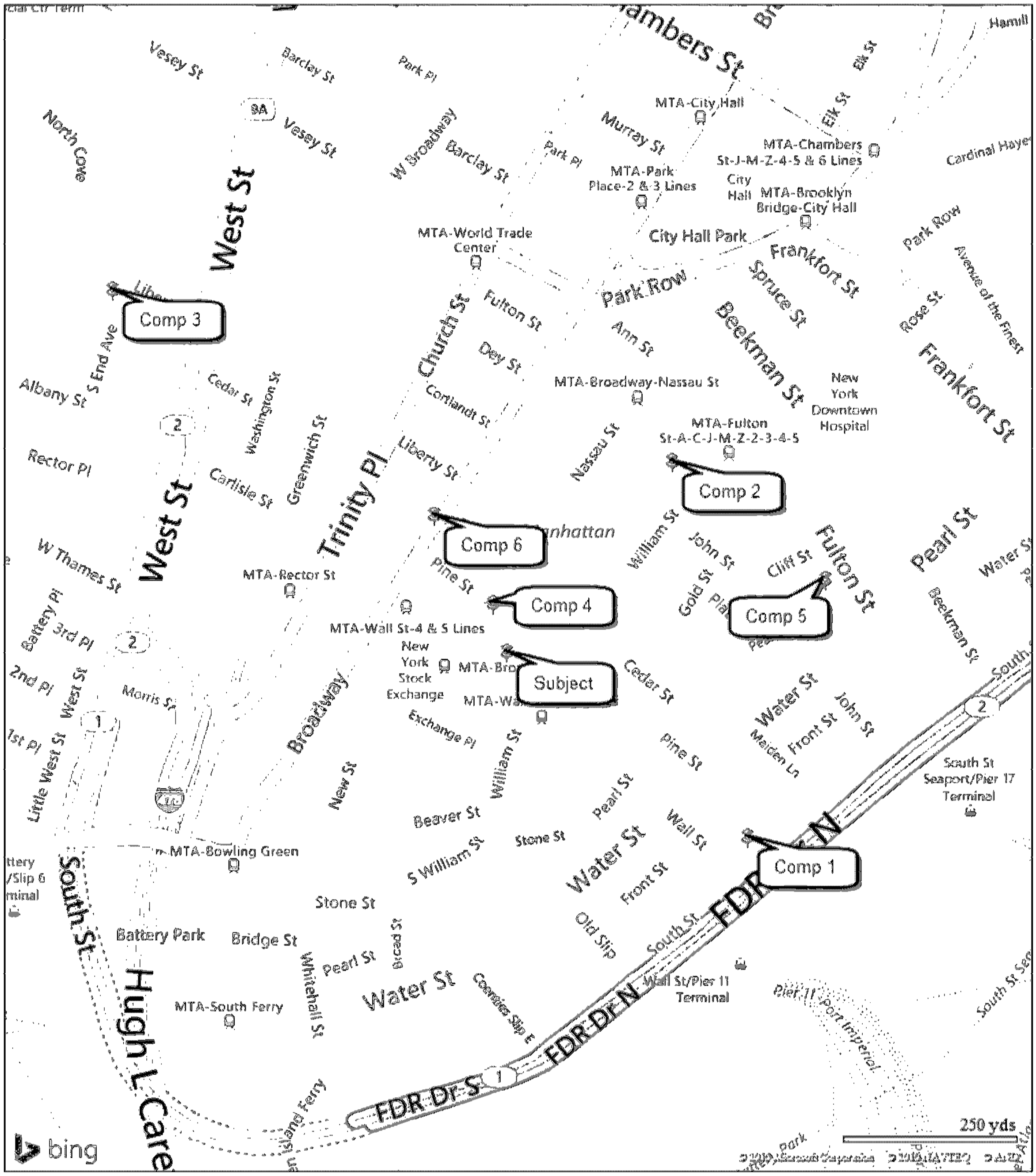
In comparison to the subject property, an upward adjustment was required for location. A downward adjustment was required for size under the premise that smaller tenant spaces lease for more per square foot than larger tenant spaces. A downward adjustment was required for corner/frontage. No other adjustments were required. The adjusted rent is $85.00 per square foot against the grade.

RENTAL COMPARABLE NO. 6 involves a 1,574 square foot retail lease within 120 Broadway located between Pine and Liberty Streets. This lease was signed in January 2014 for a 10-year term. The initial base rent was $120.00 per square foot against the grade. After adjusting for rent concessions (free rent and work letter), the equivalent rent is $120.00 per square foot.

In comparison to the subject property, a downward adjustment was required for utility. A downward adjustment was required for size under the premise that smaller tenant spaces lease for more per square foot than larger tenant spaces. No other adjustments were required. The adjusted rent is $84.00 per square foot against the grade.

After adjustment to the comparables, a range of $67.93 to $89.16 per square foot gross was revealed.

RETAIL COMPARABLE MAP



RETAIL LEASES IN THE BUILDING

The following table contains a summary of the retail leases negotiated in this building.

40 WALL STREET RETAIL LEASES									
No.	Tenant	Floors	Area (SF)	Start Date	End Date	Yr/Rent		Base Year/Concessions	
1	Dean & Deluca	Part Grade	18,500	Jun-15	Aug-31		$70.00	Tax Base:	2015/2016
						(09/21)	10.0% Inc.	Operating Base:	None
						(09/26)	10.0% Inc.	Electric:	None
								Free Rent:	15 Mos.
								Work letter:	N/A
2	Sav Cafe	Part Bsmt	1,900	Apr-97	Jun-15		$25.26	Tax Base:	None
								Operating Base:	None
								Electric:	None
								Free Rent:	N/A
								Work letter:	N/A
3	Duane Reade	Part 2	23,310	Jul-11	Jan-32		$61.13	Tax Base:	Inc. over $6,913,639
						(01/17)	$67.25	Operating Base:	None
						(01/22)	$73.97	Electric:	None
						(01/27)	$81.37	Free Rent:	N/A
								Work letter:	N/A
		Entire 21	27,250	Oct-12	Mar-28		$26.50	Tax Base:	2011/12
		Entire 22	27,250			(04/18)	$29.50	Operating Base:	2012
			54,500			(10/22)	$33.50	Electric:	None
								Free Rent:	6 Mos.
								Work letter:	N/A
4	Neopolitan Express	Entire Grade	550	Jan-14	Mar-34		$606.76	Tax Base:	Inc. over $7,145,520
						(01/16)	3.0% Inc/Yr	Operating Base:	None
								Electric:	None
								Free Rent:	N/A
								Work letter:	N/A

The lease with Dean & Deluca commenced in June 2015 for a 15 year term. The Dean & Deluca space contains 18,500 square feet on the grade with frontage on Wall Street. Following 15 month rent abatement Dean & Deluca pays a starting contract rent of $70.00 per square foot with subsequent increases. In our opinion the Dean & Deluca lease is below market.

The lease with Duane Reade commenced in June 2010 for a 20 year term. The Duane space contains 23,310 square feet on the grade and mezzanine with frontage on Pine Street. Following a six month rent abatement Duane pays a starting contract rent of $61.13 per square foot with subsequent increases. In our opinion the Duane Reade lease is below market.

The remaining leases are with Neopolitan Express and Sav Café. Neopolitan Express pays currently $606.76 per square foot, for 550 square feet on the grade. The Neopolitan is under a 18.25 year lease which is at market. Sav Café Inc. leases 1,900 square feet in the basement on a month to month basis. Sav Café Inc. currently pays $25.26 per square foot.

RETAIL MARKET RENTAL RATE CONCLUSION

The retail leases within the subject range from $25.56 to $606.76 per square foot on the grade level. The adjusted comparable rentals range from $67.93 to $89.16 per square foot. The existing retail leases commenced between April 1997 and June 2015. Overall, we believe the average retail rents in the subject property are at market.

A summary of the market rents per space type is provided in the following table.

RETAIL MARKET RENT SUMMARY			
Tenant	Rent Roll Area/SF	Market Rent/SF	Total Rent
Pine Street Frontage			
Duane Reade Grade	18,092 @	$75.00 =	$1,356,900
Duane Reade Mezz	5,218 @	$50.00 =	$260,900
Total	23,310 @	$69.40 =	$1,617,800
Wall Street Frontage			
Dean & DeLuca	18,500 @	$75.00 =	$1,387,500
Neopolitan Express	550 @	$650.00 =	$357,500
Lobby			
To-Be-Leased	791 @	$250.00 =	$197,750
Basement			
To-Be-Leased	1,500 @	$25.00 =	$37,500
SAV Cafe	1,900 @	$25.00 =	$47,500
Pine Street - Grade	**18,092 @**	**$75.00 =**	**$1,356,900**
Wall Street - Grade Large	**18,500 @**	**$75.00 =**	**$1,387,500**
Wall Street - Grade Small	**550 @**	**$650.00 =**	**$357,500**
Mezzanine	**5,218 @**	**$50.00 =**	**$260,900**
Lobby	**791 @**	**$250.00 =**	**$197,750**
Basement	**3,400 @**	**$25.00 =**	**$85,000**
Total	**46,551 @**	**$78.31 =**	**$3,645,550**

In our judgment, considering the comparable retail rentals, existing leases at the subject property and our discussions with leasing brokers active in the marketplace, our estimated unit value is $650 per square foot for small ground floor retail space along Wall Street, $75 per square foot for large ground floor retail space along Wall Street, $75 per square foot for ground floor retail space along Pine Street, $250 per square foot for lobby retail space, $50 per square foot for mezzanine retail space, and $25 per square foot for basement level space.

A summary of the market rents is provided in the following table.

RETAIL MARKET RENT	
TYPE SPACE	RENT/SF
Wall Street – Grade (Small)	$650.00/sf
Wall Street – Grade (Large)	$75.00/sf
Pine Street - Grade	$75.00/sf
Lobby	$250.00/sf
Mezzanine	$50.00/sf
Basement	$25.00/sf

These estimated market rents assume the following concession package.

RETAIL TENANTS		
	FREE RENT	TENANT IMPROVEMENTS
New Leases	6 months	None
Renewing Leases	3 months	None

The rent increase profile is as follows:

For 10-year leases, 60-month escalations of 10% are assumed.

MARKET RENTAL RATE – STORAGE SPACE

40 Wall Street contains storage space in the basement and grade of the building. The property contains 1,130 square feet of storage space. There are six vacant storage spaces in the basement totaling 14,148 square feet available for lease. The balance of the storage space is leased to several of the office tenants. Competitive rates for storage space range from $10.00 to $30.00 per square foot. We have assigned a market rent to the storage space of $25.00 per square foot gross in our cash flow projection.

STORAGE MARKET RENT	
TYPE SPACE	RENT/SF
Storage Space	$25.00/sf

The above estimated market rents assume the following concession package.

STORAGE TENANTS		
	FREE RENT	TENANT IMPROVEMENTS
New Leases	6 months	None
Renewing Leases	3 month	None

The rent increase profile is as follows: For 10 year leases, 60 month step ups of 10% are assumed.

ASSUMPTIONS REGARDING EXISTING AND PROPOSED LEASES

OVERVIEW

Our analysis specifically assumes that all of the existing and proposed tenants will remain in the property and continue paying rent under the terms of their lease. Information provided by management indicates that none of the major tenants are currently in default. The tenant base appears to be stable and management has indicated that large-scale defaults are not anticipated.

LEASE TERMS

For future leasing, tenant sizes are divided into two categories, major office tenants (defined as tenant spaces greater than 10,000 square feet) and minor office tenants (defined as tenant spaces less than 10,000 square feet). Lease term, work letter and free rent vary based upon size. Typical office, retail and storage leases are fifteen years in duration. Major office tenants typically require longer terms, ranging from ten to fifteen years. We have assumed fifteen-year terms for major office tenants. We have assumed ten-year lease terms for minor office tenants. Retail tenants were assumed to have ten-year terms. Storage tenants were assumed to have ten-year terms.

RENEWAL PROBABILITY

Regarding lease expirations, we have assumed a 65 percent probability of rollover (signing new lease) and 35 percent probability of turnover (allow the lease to expire and vacate the property) upon expiration of each primary lease term. These assumptions are based on retention rates quoted by owners and managers of competitive Manhattan office buildings.

RENEWAL OPTIONS

When a tenant has a renewal option at a below market rent (i.e. a lease would typically state a right to renew at rents equal to 90 percent of “fair market rental value”), the projections assume the option is exercised. Furthermore, the leasing commissions and work letters are at the standard schedule for a renewal tenant.

DOWNTIME

Vacancy between leases includes the period of actual downtime and the construction period to build out tenant spaces. Consistent with the current market, we have assumed downtime 8 months. Our downtime of 8 months is supported through discussions with leasing brokers as well as surveying actual downtime of vacant space in building comparable with the subject property. Vacancy between leases is weighted for a renewal probability of 65 percent for tenants, resulting in an effective downtime of 3 months.

FREE RENT

Free rent, calculated from the time the new tenant takes occupancy, ranges from 8 to 12 months in the current market. We have assumed 12 months of free rent for new major office tenants and 10 months of free rent for new minor office tenants. We have assumed 6 months of free rent for new retail and storage tenants. Renewal tenants are provided with one-half (50 percent) of the new tenant rate.

WORK LETTER

Leasing agents report that the building standard work letter for new tenants is equivalent to an actual cost of $50.00 per square foot. Work letters quoted in the marketplace today range from $40 to $50 per square foot. We have assumed $50.00 per square foot work letters for new major office tenants. We have assumed $40.00 per square foot work letters for new minor office tenants. Renewal tenants are provided one-half 50 percent of a new tenant work letter.

LEASING COMMISSIONS

Leasing commissions have been based upon the generally accepted standard schedule. The standard schedule quoted by Cushman & Wakefield, Inc. depends upon the length of the lease: 5 percent for year 1; 4 percent for year 2; 3.5 percent for years 3 through 5; 2.5 percent for years 6 through 10; 2 percent for years 11 through 20. This schedule results in the following percentages of the first year's base rent (excluding an override described below):

LEASING COMMISSIONS	
5-Year Lease:	19.5% or 3.90% per year
10-Year Lease:	32.0% or 3.20% per year
15-Year Lease:	42.0% or 2.80% per year
20-Year Lease:	52.0% or 2.60% per year

Leasing commissions are typically higher for new tenants than renewal tenants. A new tenant typically causes a full commission to be paid, whereas a renewing tenant typically results in a half commission. We have incorporated this standard assumption in our cash flow projection.

Many Manhattan office building owners employ exclusive leasing agents who receive a commission in addition to the commission payable to an outside broker. The subject property, given its size and leasing profile, is felt to be typical of a building whose ownership would employ an exclusive agent. We have, therefore, assumed a full commission on each lease assuming that 50 percent of all new leases would be originated by outside brokers; with the balance of the leases originated by the exclusive agent. Assuming a 50 percent override to the exclusive agent, each new lease would incur a commission expense of 125 percent of the standard rate (50 percent override times 50 percent outside brokers = 25 percent override) plus 100 percent full commission = 125 percent.

REIMBURSABLE EXPENSES (ESCALATIONS)

Tenants are responsible for their pro-rata share of real estate taxes when taxes exceed those incurred during the first full year of their occupancy. This type of escalation is typically also applied to operating expenses in the majority of Manhattan office buildings. The majority of larger leases in the subject property include an operating expense escalation, which calculation may be summarized as follows:

OPERATING EXPENSE ESCALATION
Billing Year Operating Expenses
Less: Base Year Operating Expenses
Equals: Increase in Operating Expenses
Multiplied by: Tenant's Pro Rata Share

We have assumed that future leases in the subject property will be on a full service basis. Tenants will be responsible for a) real estate tax increases over a base tax year amount billed either monthly or semi-annually; b) operating expense escalation billed monthly; and c) tenant electric on a rent inclusion basis of $3.00 per square foot billed monthly.

ABSORPTION OF VACANT SPACE

There are 8 vacant office spaces within the property totaling 55,695 square feet. In addition, there is one vacant retail space on the grade totaling 2,291 square feet available for lease. In our analysis, we have assumed that the vacant space will be leased by June 2016. The lease-up of this vacant space has an impact on the value of the property.

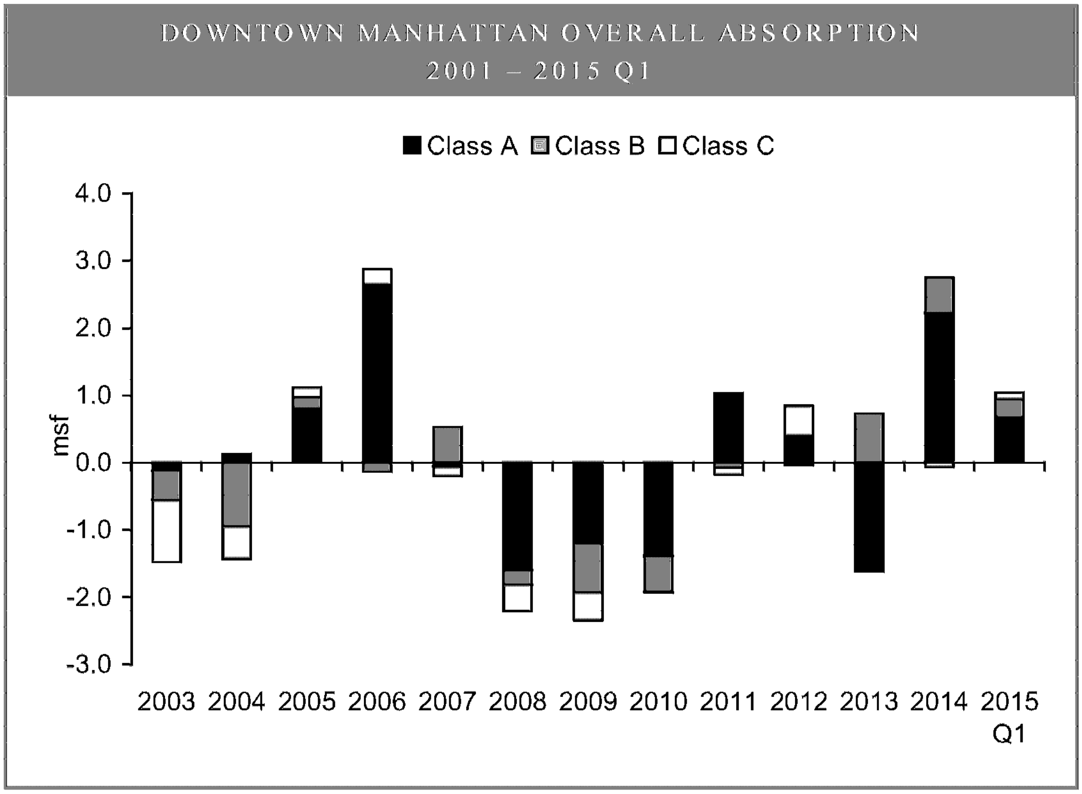
The recent performances of competitive properties are also a factor in forecasting an absorption rate, stabilized occupancy and the forecasted date of stabilized occupancy. We have previously discussed several office buildings that are competitive with the subject. Our conclusions, as cited within the Financial East sub district Analysis section of this report, were that six office buildings are directly competitive with the subject property.

DIRECTLY COMPETITIVE BUILDINGS								
	Property (Cross Streets)	Office Area (NRA)	Direct Avail. SF	Sublease Avail SF	% Occupied (Direct)	% Occupied (Total)	Direct Asking Rent Low	Direct Asking Rent High
1	14 Wall Street	956,654	146,562	0	84.68%	84.68%	$40.00	$45.00
2	100 Church Street	970,627	0	0	100.00%	100.00%	N/A	N/A
3	123 William Street	503,325	10,317	0	97.95%	97.95%	$40.00	$54.00
4	111 Broadway	427,598	56,992	6,859	86.67%	85.07%	$45.00	$49.00
5	120 Broadway	1,916,700	128,872	107,282	93.28%	87.68%	$43.00	$48.00
6	233 Broadway	855,104	16,738	0	98.04%	98.04%	$55.00	$57.50
	TOTAL	**5,630,008**	**359,481**	**114,141**				
	AVERAGE	**938,335**	**59,914**	**19,024**	**93.61%**	**91.59%**	**$40.00**	**$57.50**

In our judgment, the subject property is at least as appealing to tenants as these competitive properties and should maintain a stabilized occupancy averaging near 92 percent. This is consistent with the implied overall occupancy rate of the subject property over the holding period of 97.10 percent, which includes vacancy and collection loss and downtime between leases.

DOWNTOWN LEASING ACTIVITY

According to Cushman & Wakefield, Inc. Research Department, at 1.0 million square feet, leasing activity fell 40.7 percent from Q1 2014. The decline in leasing is not due to a lack of demand, as several sizeable transactions were completed during the quarter. The largest new leases were signed by WeWork for 233,174 square feet at 85 Broad Street followed by OSP Group's 157,210 square feet lease at One New York Plaza. At 123 William Street, Planned Parenthood leased 65,000 square feet.



Lease up Assumptions

In our analysis, we have assumed that the 55,952 square feet of vacant space is leased over a 12 month absorption period from June 2015. This results in an absorption rate of 4,663 square feet per month or 13,998 square feet per quarter, which is generally consistent with opinions of absorption from real estate market participants. The subject property offers an excellent location on Wall Street and superior Downtown views from its 63-story tower, which are features considered to be very desirable by tenants. The following table summarizes our lease-up and absorption forecast.

SUMMARY OF VACANT SPACE ABSORPTION

FLOOR/SUITE	TYPE	START OF LEASE	SQUARE FEET
Grade	Retail	Sep-15	791
0703	Office	Sep-15	8,693
1303	Office	Dec-15	9,327
1601	Office	Dec-15	5,772
2504	Office	Mar-16	4,698
5400	Office	Mar-16	9,248
5900	Office	Jun-16	7,900
6100	Office	Jun-16	6,243
6200	Office	Jun-16	3,814
Total			**56,486**

VACANCY AND COLLECTION LOSS

Our cash flow projection assumes a tenant vacancy of 8 months upon lease expiration set against our probability of renewal estimated at 65.00 percent, in addition to a vacancy/global credit loss provision applied to the gross rental income. The vacancy/global loss provision is applied to all tenants. Our estimated vacancy/global credit loss provision applied to the gross rental income is estimated throughout the holding period at 1.00 percent for all tenants.

Based on the subject's weighted average downtime between leases, as well as the preceding absorption schedule for the subject property, the overall average occupancy rate of the subject property over the 19-year holding period is 98.10 percent. Including our overall vacancy/global credit loss allowance estimated at 1.00 percent for all tenants, the implied overall occupancy rate of the subject property over the holding period is 97.10 percent. This is near the actual historical occupancy levels of competing buildings over the last several years.

OPERATING EXPENSES

We have analyzed the actual operating expenses for 2012, 2013, and 2014; and budgeted expenses for 2015 as provided by ownership. We forecasted the property's operating expenses after reviewing operating expenses of similar buildings and after consulting local building managers and agents, including Cushman & Wakefield property management personnel, etc. We also examined industry norms as reported by the **BOMA Experience Exchange Report** published by the Building Owners and Managers Association International, a nationally recognized publication.

On the **following pages** is the income and expense analysis for the property, which is based upon historical operating expense data supported by comparable expense data.

REVENUE AND EXPENSE ANALYSIS

	Actual CY 2012		Actual CY 2013		Actual CY 2014		Budget CY 2015		Budget Comparison		C&W Forecast FY 2016	
	Total	Per SF	Total	Per SF	Total	Per SF	Total	Per SF	Total	PSF	Total	Per SF
POTENTIAL GROSS REVENUE												
Base Rental Revenue	$22,920,542	$19.67	$29,105,110	$24.98	$26,148,257	$22.44	$29,217,210	$25.07	$10,909,828	$9.36	$40,127,038	$34.44
Base Rent Abatements	0	0.00	(638,821)	(0.55)	0	0.00	0	0.00	(7,776,980)	(6.67)	(7,776,980)	(6.67)
Real Estate Taxes	945,450	0.81	1,571,070	1.35	487,950	0.42	461,100	0.40	(52,607)	(0.05)	408,493	0.35
Operating Expenses	1,129,945	0.97	762,360	0.65	132,728	0.11	0	0.00	29,098	0.02	29,098	0.02
Tenant Eletric	1,047,893	0.90	1,169,721	1.00	1,381,361	1.19	1,728,000	1.48	0	0.00	1,728,000	1.48
Miscellaneous Income	1,408,000	1.21	1,701,012	1.46	1,403,072	1.20	1,437,433	1.23	(232,204)	(0.20)	1,205,229	1.03
TOTAL POTENTIAL GROSS REVENUE	$27,451,831	$23.56	$33,670,452	$28.90	$29,553,368	$25.36	$32,843,743	$28.19	$2,877,135	$2.47	$35,720,878	$30.66
Vacancy and Collection Loss	0	0.00	0	0.00	0	0.00	0	0.00	(357,209)	(0.31)	(357,209)	(0.31)
EFFECTIVE GROSS REVENUE	$27,451,831	$23.56	$33,670,452	$28.90	$29,553,368	$25.36	$32,843,743	$28.19	$2,519,926	$2.16	$35,363,669	$30.35
OPERATING EXPENSES												
Payroll and Cleaning	$2,984,765	$2.56	$3,062,751	$2.63	$3,432,531	$2.95	$3,519,463	$3.02	$0	$0.00	$3,519,463	$3.02
Casualty, Liability and Terrorism Insurance	1,314,582	1.13	1,887,302	1.62	2,101,191	1.80	876,846	0.75	0	0.00	876,846	0.75
Utilities	2,154,612	1.85	2,150,263	1.85	2,284,164	1.96	2,617,000	2.25	0	0.00	2,617,000	2.25
Repairs and Maintenance	1,932,276	1.66	$2,323,662	1.99	2,258,513	1.94	2,621,000	2.25	0	0.00	2,621,000	2.25
General & Administrative	1,168,449	1.00	1,149,859	0.99	1,006,916	0.86	1,117,040	0.96	0	0.00	1,117,040	0.96
Management Fees	100,000	0.09	100,000	0.09	100,000	0.09	100,000	0.09	249,562	0.21	349,562	0.30
Subtotal	$9,654,684	$8.29	$10,673,837	$9.16	$11,183,315	$9.60	$10,851,349	$9.31	$249,562	$0.21	$11,100,911	$9.53
Ground Rent	$1,503,000	$1.29	$1,650,000	$1.42	$1,650,000	$1.42	$1,653,000	$1.42	($3,000)	($0.00)	$1,650,000	$1.42
Real Estate Taxes	7,792,682	6.69	5,901,681	5.06	6,085,208	5.22	6,098,494	5.23	1,087,325	0.93	7,185,819	6.17
TOTAL EXPENSES	$18,950,366	$16.26	$18,225,518	$15.64	$18,918,523	$16.24	$18,602,843	$15.97	$1,333,887	$1.14	$19,936,730	$17.11
NET OPERATING INCOME	$8,501,465	$7.30	$15,444,934	$13.26	$10,634,845	$9.13	$14,240,900	$12.22	$1,186,039	$1.02	$15,426,939	$13.24
CAPITAL EXPENDITURES												
Tenant Improvements	$16,124,738	$13.84	$9,044,937	$7.76	$7,435,208	$6.38	$0	$0.00	$1,610,520	$1.38	$1,610,520	$1.38
Leasing Commissions	3,309,616	2.84	2,949,799	2.53	4,229,407	3.63	0	0.00	841,255	0.72	841,255	0.72
Capital Reserves	0	0.00	0	0.00	0	0.00	0	0.00	116,521	0.10	116,521	0.10
TOTAL CAPITAL EXPENDITURES	$19,434,354	$16.68	$11,994,736	$10.29	$11,664,615	$10.01	$0	$0.00	$2,568,296	$2.20	$2,568,296	$2.20
CASH FLOW BEFORE DEBT SERVICE	($10,932,890)	($9.38)	$3,450,198	$2.96	($1,029,770)	($0.88)	$14,240,900	$12.22	($1,382,257)	($1.19)	$12,858,643	$11.04
Net Rentable Area:	1,165,207	Square Feet										

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ANALYSIS OF EXPENSES

We analyzed each item of expense and developed an opinion of a level of expense we believe a typical investor in a property like this would consider reasonable. The forecast income and expenses are for calendar year 2016.

OPERATING EXPENSE ANALYSIS	
Payroll and Cleaning:	This expense includes wages and benefits covering employees of the building including union staffing and non-union salaries and benefits of the administrative personnel. This expense also includes contract cleaning costs and supplies along with window cleaning. This expense was $2,984,765 in 2012, $3,062,751 in 2013 and $3,432,531 in 2014. The 2015 budget is $3,519,463. It should be noted that the 2012 budgeted payroll expense for various cleaning personnel are included within the repairs and maintenance category. The 2012 budget is considered to be reasonable based on our analysis of comparable buildings that reflect costs ranging from $2.06 to $5.01 per square foot. The upper end of this range reflects buildings that include the cost of other service contracts in this category. The subject property does not include other service contracts within this expense category. Our forecast of fiscal year 2016 expense is $3,519,463 or $3.02 per square foot.
Casualty, Liability and Terrorism Insurance:	The federal terrorism insurance law signed in 2002 has had a positive effect on insurance costs. The federal terrorism insurance act was reauthorized in 2015 and expires in 2020. Reductions in costs for terrorism coverage alone are expected to continue. Casualty & liability and terrorism insurance coverage has become more important for Manhattan office buildings over the past year. Blanket coverage is of much less value to owners than it was in prior years. In other words, the carriers are less inclined to reduce overall premiums under blanket policies. Terrorism Insurance coverage is available in limited quantities with limited exposure (not full value) given by the carriers. Terrorism rates are very high something in the range of 3 to 5 percent of "value", annually. 40 Wall Street is currently covered with a terrorism insurance policy. This expense was $1,314,582 in 2012, $1,887,302 in 2013 and $2,101,191 in 2014. The 2015 budget is $876,846, which includes property policy, general liability and umbrella policy, fire and extended liability coverage, and terrorism coverage. Competitive buildings reflect costs ranging from $0.38 to $0.63 per square foot. Our forecast of fiscal year 2016 expense is $876,846 or $0.75 per square foot, which **includes terrorism insurance**.

Utilities:	This expense includes electric for tenant space and common areas, as well as the cost of Con Edison steam to heat the building and water charges and sewer rent. The majority of the tenant spaces are billed for electrical consumption on a rent inclusion or submetered basis. This expense was $2,154,612 in 2012, $2,150,263 in 2013 and $2,284,164 in 2014. The 2015 budget is $2,617,000, which we consider sufficient to provide electric to tenants in the building given Con Edison's recent increase in utility rates. Competitive buildings reflect costs ranging from $1.15 to $4.58 per square foot. Our forecast of fiscal year 2016 expense is $2,617,000 or $2.25 per square foot.
Repairs and Maintenance:	This expense is related to the actual expenses for on-going maintenance costs including engineering and preventative maintenance and elevator maintenance costs. This expense was $1,932,276 in 2012, $2,323,662 in 2013 and $2,258,513 in 2014. The 2015 budget is $2,621,000. It should be noted that the 2012 budgeted expense is allocated in a different manner than the historical expenses. The 2015 budgeted expense includes payroll expenses for various cleaning and security personnel. Competitive buildings reflect costs ranging from $0.75 to $3.48 per square foot. Our forecast of fiscal year 2016 expense is $2,621,000 or $2.25 per square foot.
General and Administrative:	These costs include professional fees including general and administrative expenses related to operating an office building. This expense was $1,168,449 in 2012, $1,149,859 in 2013 and $1,006,916 in 2014. The 2015 budget is $1,117,040. Competitive buildings reflect costs ranging from $0.41 to $2.66 per square foot. Our forecast of fiscal year 2016 expense is $1,117,040 or $0.96 per square foot.
Management Fee:	The property owners currently act as managing agent for the property. This expense was $100,000 in 2012, $100,000 in 2013 and $100,000 in 2014. The 2015 budget is $100,000. Upon sale of the building, we have applied a management fee consistent with rates quoted by Manhattan brokerage and management firms including Cushman & Wakefield, Inc., which typically charge based on building size rather than percentage of revenue.

It should be noted that management fees are typically provided at or near cost by Manhattan brokerage and management firms in an attempt to secure leasing and other business opportunities. In addition, Manhattan brokerage and management firms typically have economies of scale as a result of managing several buildings. In comparison, management fees of owner managed properties typically include profit centers. Our forecast of fiscal year 2016 expense is $349,562 or $0.30 per square foot.

Ground Rent:	The ground rent payments total $1,650,000 or $1.42 per square foot. This represents our forecast of 2015 calendar year ground rent payments, which have been discussed in detail under the Ground Lease and Land Valuation section of this report.
Real Estate and BID Taxes:	The calendar year 2015 real estate taxes including the ICIP tax exemption are projected to be $6,948,724 or $5.97 per square foot of rentable area ($6.55 per square foot of the assessor's gross building area of 1,061,266 square feet). Included within the real estate tax projection are business improvement district (BID) taxes which are $237,095. This represents our current forecast of real estate and BID taxes, which have been discussed in detail under the Real Property Taxes and Assessments section of this report.

TOTAL OPERATING EXPENSES

In our analysis of the subject property, the total operating expenses, excluding real estate taxes, estimated for fiscal year 2016 are $11,100,911 or $9.53 per square foot of net rentable area excluding taxes. Our operating expenses estimated for the subject property are within the range of actual operating expenses of competing office buildings located in Manhattan as presented on the following chart.

COMPARABLE OFFICE BUILDING EXPENSE ANALYSIS

Office Building (Downtown) Year Built Rentable Area Source (Year)	100 Broadway 1897/1998 394,790 Budget CY 2014		61 Broadway 1917 786,975 Budget CY 2015		14 Wall Street 1912 1,050,771 Budget CY 2015	
	Annual Amount	Per SF	Annual Amount	Per SF	Annual Amount	Per SF
POTENTIAL GROSS REVENUE						
Base Rental Revenue	$14,024,254	$35.52	$25,432,881	$32.32	$35,395,333	$33.69
Base Rent Abatements	($853,418)	($2.16)	($1,421,690)	($1.81)	($3,140,854)	($2.99)
Real Estate Taxes	$464,744	$1.18	$896,994	$1.14	$1,392,143	$1.32
Operating Expenses	$296,098	$0.75	$0	$0.00	$153,953	$0.15
Tenant Electric	$31,901	$0.08	$1,715,615	$2.18	$2,742,513	$2.61
Miscellaneous Income	$228,800	$0.58	$208,191	$0.26	$609,434	$0.58
TOTAL POTENTIAL GROSS REVENUE	$14,192,379	$35.95	$26,831,991	$34.10	$37,152,522	$35.36
Vacancy and Collection Loss	$0	$0.00	$0	$0.00	($2,323,195)	($2.21)
EFFECTIVE GROSS REVENUE	$14,192,379	$35.95	$26,831,991	$34.10	$34,829,327	$33.15
OPERATING EXPENSES						
Payroll and Cleaning	$1,736,163	$4.40	$3,312,470	$4.21	$2,169,441	$2.06
Casualty, Liability and Terrorism Insurance	$249,424	$0.63	$320,774	$0.41	$552,883	$0.53
Utilities	$452,347	$1.15	$2,605,673	$3.31	$4,810,590	$4.58
Repairs and Maintenance	$399,640	$1.01	$812,311	$1.03	$2,584,392	$2.46
General and Administrative	$162,480	$0.41	$654,601	$0.83	$1,504,854	$1.43
Management Fee	$212,886	$0.54	$603,720	$0.77	$696,587	$0.66
SUBTOTAL	$3,212,940	$8.14	$8,309,549	$10.56	$12,318,747	$11.72
Ground Rent	$0	$0.00	$0	$0.00	$0	$0.00
Real Estate Taxes	$2,483,723	$6.29	$4,883,948	$6.21	$6,897,962	$6.56
TOTAL EXPENSES	$5,696,663	$14.43	$13,193,497	$16.76	$19,216,709	$18.29
NET OPERATING INCOME	$8,495,716	$21.52	$13,638,494	$17.33	$15,612,618	$14.86
CAPITAL EXPENDITURES						
Tenant Improvements	$1,179,630	$2.99	$3,016,918	$3.83	$8,353,117	$7.95
Leasing Commissions	$653,173	$1.65	$902,997	$1.15	$2,420,211	$2.30
Capital Reserves	$58,275	$0.15	$2,463,032	$3.13	$160,474	$0.15
TOTAL CAPITAL EXPENDITURES	$1,891,078	$4.79	$6,382,947	$8.11	$10,933,802	$10.41
CASH FLOW BEFORE DEBT SERVICE	$6,604,638	$16.73	$7,255,547	$9.22	$4,678,816	$4.45

COMPARABLE OFFICE BUILDING EXPENSE ANALYSIS (CONTINUED)

Property Name / Year Built / Rentable Area / Source (Year)	26 Broadway / 1923/1925 / 839,316 / Budget CY 2015		120 Broadway / 1915 / 2,050,348 / Budget CY 2013		233 Broadway / 1913 / 793,076 / Budget CY 2015	
	Annual Amount	Per SF	Annual Amount	Per SF	Annual Amount	Per SF
POTENTIAL GROSS REVENUE						
Base Rental Revenue	$21,065,755	$25.10	$67,938,128	$33.13	$29,487,475	$37.18
Base Rent Abatements	($1,349,084)	($1.61)	($3,374,482)	($1.65)	($867,444)	($1.09)
Real Estate Taxes	$998,004	$1.19	$2,340,815	$1.14	$1,999,654	$2.52
Operating Expenses	$217,129	$0.26	$4,017,767	$1.96	$585,190	$0.74
Tenant Electric	$555,414	$0.66	$5,492,599	$2.68	$1,713,357	$2.16
Miscellaneous Income	$193,956	$0.23	$1,057,865	$0.52	$123,600	$0.16
TOTAL POTENTIAL GROSS REVENUE	$21,681,174	$25.83	$77,472,692	$37.79	$33,041,832	$41.66
		$0.00				
Vacancy and Collection Loss	($174,964)	($0.21)	$0	$0.00	$0	$0.00
EFFECTIVE GROSS REVENUE	$21,506,210	$25.62	$77,472,692	$37.79	$33,041,832	$41.66
OPERATING EXPENSES						
Payroll and Cleaning	$2,271,338	$2.71	$9,111,048	$4.44	$2,212,600	$2.79
Casualty, Liability and Terrorism Insurance	$397,899	$0.47	$1,186,529	$0.58	$297,692	$0.38
Utilities	$2,738,033	$3.26	$8,991,988	$4.39	$1,897,270	$2.39
Repairs and Maintenance	$628,029	$0.75	$3,884,027	$1.89	$2,757,574	$3.48
General and Administrative	$642,763	$0.77	$1,231,833	$0.60	$2,112,657	$2.66
Management Fee	$121,200	$0.14	$1,936,817	$0.94	$660,837	$0.83
SUBTOTAL	$6,799,262	$8.10	$26,342,242	$12.85	$9,938,630	$12.53
Ground Rent	$0	$0.00	$850,000	$0.41	$0	$0.00
Real Estate Taxes	$4,232,412	$5.04	$11,998,654	$5.85	$6,358,230	$8.02
TOTAL EXPENSES	$11,031,674	$13.14	$39,190,896	$19.11	$16,296,860	$20.55
NET OPERATING INCOME	$10,474,536	$12.48	$38,281,796	$18.67	$16,744,972	$21.11
CAPITAL EXPENDITURES						
Tenant Improvements	$3,063,096	$3.65	$16,164,133	$7.88	$1,674,217	$2.11
Leasing Commissions	$159,816	$0.19	$4,706,885	$2.30	$1,141,100	$1.44
Capital Reserves	$0	$0.00	$491,902	$0.24	$0	$0.00
TOTAL CAPITAL EXPENDITURES	$3,222,912	$3.84	$21,362,920	$10.42	$2,815,317	$3.55
CASH FLOW BEFORE DEBT SERVICE	$7,251,624	$8.64	$16,918,876	$8.25	$13,929,655	$17.56

COMPARABLE OFFICE BUILDING EXPENSE ANALYSIS (CONTINUED)						
Property Name Year Built Rentable Area	40 Wall Street (Subject) 1930 1,165,207					
Source (Year)	Budget CY 2015		C&W Forecast FY 2016		Expense Comparables	
	Annual Amount	Per SF	Annual Amount	Per SF	Minimum Per SF	Maximum Per SF
POTENTIAL GROSS REVENUE						
Base Rental Revenue	$29,217,210	$25.07	$40,127,038	$34.44	$25.10	$37.18
Base Rent Abatements	$0	$0.00	($7,776,980)	($6.67)	($2.99)	($1.09)
Real Estate Taxes	$461,100	$0.40	$408,493	$0.35	$1.14	$2.52
Operating Expenses	$0	$0.00	$29,098	$0.02	$0.00	$1.96
Tenant Electric	$1,728,000	$1.48	$1,728,000	$1.48	$0.08	$2.68
Miscellaneous Income	$1,437,433	$1.23	$1,205,229	$1.03	$0.16	$0.58
TOTAL POTENTIAL GROSS REVENUE	$32,843,743	$28.19	$35,720,878	$30.66	$25.83	$41.66
Vacancy and Collection Loss	$0	$0.00	($357,209)	($0.31)	($2.21)	$0.00
EFFECTIVE GROSS REVENUE	$32,843,743	$28.19	$35,363,669	$30.35	$25.62	$41.66
OPERATING EXPENSES						
Payroll and Cleaning	$3,519,463	$3.02	$3,519,463	$3.02	$2.06	$4.44
Casualty, Liability and Terrorism Insurance	$876,846	$0.75	$876,846	$0.75	$0.38	$0.63
Utilities	$2,617,000	$2.25	$2,617,000	$2.25	$1.15	$4.58
Repairs and Maintenance	$2,621,000	$2.25	$2,621,000	$2.25	$0.75	$3.48
General and Administrative	$1,117,040	$0.96	$1,117,040	$0.96	$0.41	$2.66
Management Fee	$100,000	$0.09	$349,562	$0.30	$0.14	$0.94
SUBTOTAL	$10,851,349	$9.31	$11,100,911	$9.53	$8.10	$12.85
Ground Rent	$1,653,000	$1.42	$1,650,000	$1.42	$0.00	$0.41
Real Estate Taxes	$6,098,494	$5.23	$7,185,819	$6.17	$5.04	$8.02
TOTAL EXPENSES	$18,602,843	$15.97	$19,936,730	$17.11	$13.14	$20.55
NET OPERATING INCOME	$14,240,900	$12.22	$15,426,939	$13.24	$12.48	$21.52
CAPITAL EXPENDITURES						
Tenant Improvements	$0	$0.00	$1,610,520	$1.38	$2.11	$7.95
Leasing Commissions	$0	$0.00	$841,255	$0.72	$0.19	$2.30
Capital Reserves	$0	$0.00	$116,521	$0.10	$0.00	$3.13
TOTAL CAPITAL EXPENDITURES	$0	$0.00	$2,568,296	$2.20	$3.55	$10.42
CASH FLOW BEFORE DEBT SERVICE	$14,240,900	$12.22	$12,858,643	$11.04	$4.45	$17.56

The six expense comparables reflect a range of $8.10 to $12.85 per square foot. These buildings have varying degrees of similarity with the subject property in terms of age, size, tenancy and quality. In our judgment, a reconciled expense figure of $9.53 per square foot is reasonable for the subject property considering its age, size and budgeted expense figures.

COMPARABLE OFFICE BUILDING
OPERATING EXPENSES (EXCLUDING REAL ESTATE TAXES)

NAME/ADDRESS	YEAR BUILT	NRA	YEAR SURVEYED	EXPENSES/SF
100 Broadway	1897/1998	394,790	Budget CY 2014	$8.14
61 Broadway	1917	786,975	Budget CY 2015	$10.56
14 Wall Street	1912	1,050,771	Budget CY 2015	$11.72
26 Broadway	1923/1925	839,316	Budget CY 2015	$8.10
120 Broadway	1915	2,050,348	Budget CY 2013	$12.85
233 Broadway	1913	793,076	Budget CY 2015	$12.53
40 Wall Street (Subject)	1930	1,164,673	C&W Forecast FY 2015	$9.77

EXPENSE GROWTH RATE

Our cash flow projections assume that operating expenses and tenant improvement costs will grow at the rate of 3.00 percent per year during the holding period. Real estate tax rates were grown at approximately 4.63 percent for years 1 through 5. Thereafter, we increased real estate taxes at 3.00 percent per year.

RESERVES FOR REPLACEMENTS

It is customary and prudent to deduct an annual sum from effective gross income to establish a reserve for replacing short-lived items throughout the building. These costs may include roof repair, HVAC upgrades and ADA compliance. Our calendar year 2016 projection of $116,521 or $0.10 per square foot of rentable area is a reasonable amount to cover the cost of capital expenditures over the course of the investment-holding period.

DISCOUNTED CASH FLOW ANALYSIS

In the Discounted Cash Flow Method, we employed Argus for Windows software to model the income characteristics of the property and to make a variety of cash flow assumptions. We attempted to reflect the most likely investment assumptions of typical buyers and sellers in this particular market segment. The following table illustrates the assumptions used in the discounted cash flow analysis.

DISCOUNTED CASH FLOW ASSUMPTIONS	
MODELING ASSUMPTIONS	
Years in Forecast:	20 years
Holding Period:	19 years
Start Dates:	June 1, 2015
Reversion Year:	FY 2035 (20th fiscal year)
Vacancy & Collection Loss:	1.00% (average; applied to all tenants)
Consumer Price Index (CPI):	3.00%
Expense Growth Rate:	3.00%
Rates of Return	
Discount Rate:	6.50% (see Discount Rate Analysis)
Terminal Cap Rate:	5.25% (applied to reversion year net operating income)
Reversionary Sales Cost:	4.00% (includes brokerage, legal fees and estimated transfer taxes)
Indicated Value:	$540,000,000

LEASING ASSUMPTIONS	MAJOR OFFICE TENANTS	MINOR OFFICE TENANTS	RETAIL TENANTS	STORAGE TENANTS
Market Rent per Square Foot	Floors 2-18 $45.00/sf; Floors 19-25 $47.00/sf; Floors 26-34 $50.00/sf; Floors 35-63 $52.00/sf	Floors 2-18 $45.00/sf; Floors 19-25 $47.00/sf; Floors 26-34 $50.00/sf; Floors 35-63 $52.00/sf	$650.00 (Wall Street Small); $75.00/sf (Wall Street Large); $75.00/sf (Pine Street); $250.00/sf (Lobby); $50.00/sf (Mezzanine); $25.00/sf (Basement)	$25.00/sf
Market Rent Growth Rate:	3.00%	3.00%	3.00%	3.00%
Lease Term (years):	15	10	10	10
Free Rent (months)				
New Leases:	12	10	6	6
Renewals:	6	5	3	3
Downtime Between Leases (months):	8	8	8	8
	Downtime between leases is prior to renewal probability of 65.00%; effective vacancy is 3 months.			
Renewal Probability:	65.00%	65.00%	65.00%	65.00%
Capital Expenditures:				
Tenant Improvements ($/SF)				
New Leases:	$50.00	$40.00	None	None
Renewals:	$25.00	$20.00	None	None
Leasing Commissions				
10 Year Leases:	40.00% of first year's base rent including 125% override (paid in year one)			
15 Year Leases:	52.50% of first year's base rent including 125% override (paid in year one)			
All Renewals:	Typically half of new tenant commission.			

RENT ESCALATIONS & EXPENSE RECOVERIES ASSUMPTIONS	
Rent Steps and Escalations:	For 10 and 15-year leases, 60-month step-ups of 10% are assumed.
Expense Recoveries:	We have assumed that future leases in the subject property will be on a full service basis. Tenants will be responsible for a) real estate tax increases over a base tax year amount billed either monthly or semi-annually; b) operating expense escalation billed monthly; and c) tenant electric on a rent inclusion basis of $3.00 per square foot billed monthly.

CASH FLOW PROJECTION

On the following pages is our 20-year cash flow projection, which includes our 19-year holding period and 20-year reversionary year. The cash flow reflects the results of the **Argus for Windows** projection imported to **Microsoft Excel**. The cash flow exhibits a value matrix along with a matrix of rates of return over the projection period.

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40 Wall Street
Market Value "As Is" on June 1, 2015
Cash Flow Analysis

	YEAR 1 FY 2016	YEAR 2 FY 2017	YEAR 3 FY 2018	YEAR 4 FY 2019	YEAR 5 FY 2020	YEAR 6 FY 2021	YEAR 7 FY 2022	YEAR 8 FY 2023	YEAR 9 FY 2024	YEAR 10 FY 2025
POTENTIAL GROSS INCOME										
Base Rental Revenue	$40,127,038	$42,767,080	$43,874,220	$45,760,943	$46,329,816	$47,552,117	$49,133,966	$53,532,896	$57,050,130	$57,890,937
Base Rent Abatements	($7,776,980)	($4,172,551)	($2,268,501)	($1,700,619)	($272,054)	($1,927,063)	($3,272,186)	($5,301,259)	($2,477,116)	($572,671)
BASE RENTAL INCOME	$32,350,058	$38,594,529	$41,605,719	$44,060,324	$46,057,762	$45,625,054	$45,861,780	$48,231,637	$54,573,014	$57,318,266
Real Estate Taxes	$408,493	$714,748	$1,064,381	$1,455,057	$1,912,359	$2,197,546	$2,270,223	$2,230,702	$2,369,915	$2,625,687
Operating Expenses	$29,098	$167,931	$366,352	$616,293	$885,593	$1,165,682	$1,482,425	$1,744,139	$2,031,667	$2,414,002
Tenant Electric	$1,728,000	$1,779,840	$1,833,235	$1,888,232	$1,944,879	$2,003,226	$2,063,322	$2,125,222	$2,188,979	$2,254,648
TOTAL REIMBURSEMENT REVENUE	$2,165,591	$2,662,519	$3,263,968	$3,959,582	$4,742,831	$5,366,454	$5,815,970	$6,100,063	$6,580,561	$7,294,337
Add: Miscellaneous Income	$1,205,229	$1,241,386	$1,278,627	$1,316,986	$1,356,496	$1,397,191	$1,439,106	$1,482,279	$1,526,748	$1,572,550
POTENTIAL GROSS INCOME	$35,720,878	$42,498,434	$46,148,314	$49,336,892	$52,157,089	$52,388,699	$53,116,856	$55,813,979	$62,680,323	$66,185,153
Less: Vacancy & Collection Loss	($357,209)	($424,984)	($461,483)	($493,369)	($521,571)	($523,887)	($531,169)	($558,140)	($626,803)	($661,852)
EFFECTIVE GROSS INCOME	$35,363,669	$42,073,450	$45,686,831	$48,843,523	$51,635,518	$51,864,812	$52,585,687	$55,255,839	$62,053,520	$65,523,301
OPERATING EXPENSES										
Real Estate Taxes	$7,185,819	$7,538,804	$8,028,602	$8,512,468	$9,005,309	$9,392,799	$9,674,583	$9,964,821	$10,263,765	$10,571,678
Operating Expenses	$11,100,911	$11,433,938	$11,776,956	$12,130,265	$12,494,175	$12,868,998	$13,255,069	$13,652,719	$14,062,303	$14,484,170
Ground Rent	$1,650,000	$1,650,000	$1,718,750	$1,815,000	$2,023,333	$2,315,000	$2,315,000	$2,411,458	$2,546,500	$2,546,500
TOTAL OPERATING EXPENSES	$19,936,730	$20,622,742	$21,524,308	$22,457,733	$23,522,817	$24,576,797	$25,244,652	$26,028,998	$26,872,568	$27,602,348
NET OPERATING INCOME	$15,426,939	$21,450,708	$24,162,523	$26,385,790	$28,112,701	$27,288,015	$27,341,035	$29,226,841	$35,180,952	$37,920,953
Per Square Foot	*$13.24*	*$18.41*	*$20.74*	*$22.64*	*$24.13*	*$23.42*	*$23.46*	*$25.08*	*$30.19*	*$32.54*

	YEAR 11 FY 2026	YEAR 12 FY 2027	YEAR 13 FY 2028	YEAR 14 FY 2029	YEAR 15 FY 2030	YEAR 16 FY 2031	YEAR 17 FY 2032	YEAR 18 FY 2033	YEAR 19 FY 2034	YEAR 20 FY 2035
POTENTIAL GROSS INCOME										
Base Rental Revenue	$57,858,605	$61,628,682	$63,349,749	$67,711,589	$71,187,572	$72,608,805	$74,107,758	$77,417,530	$83,464,812	$85,185,380
Base Rent Abatements	($2,415,857)	($4,383,749)	($1,767,159)	($4,948,505)	($5,291,403)	($1,453,086)	($3,265,448)	($4,684,774)	($6,676,290)	($1,105,652)
BASE RENTAL INCOME	$55,442,748	$57,244,933	$61,582,590	$62,763,084	$65,896,169	$71,155,719	$70,842,310	$72,732,756	$76,788,522	$84,079,728
Real Estate Taxes	$2,727,415	$2,676,576	$2,815,232	$2,750,442	$2,608,243	$2,846,933	$2,904,125	$2,770,022	$2,654,421	$2,984,213
Operating Expenses	$2,622,088	$2,685,220	$2,971,115	$3,016,225	$2,984,169	$3,309,343	$3,547,873	$3,553,538	$3,459,991	$3,929,929
Tenant Electric	$2,322,288	$2,391,956	$2,463,715	$2,537,626	$2,613,755	$2,692,168	$2,772,933	$2,856,121	$2,941,804	$3,030,058
TOTAL REIMBURSEMENT REVENUE	$7,671,791	$7,753,752	$8,250,062	$8,304,293	$8,206,167	$8,848,444	$9,224,931	$9,179,681	$9,056,216	$9,944,200
Add: Miscellaneous Income	$1,619,726	$1,668,318	$1,718,368	$1,769,920	$1,823,018	$1,877,707	$1,934,039	$1,992,060	$2,051,823	$2,113,376
POTENTIAL GROSS INCOME	$64,734,265	$66,667,003	$71,551,020	$72,837,297	$75,925,354	$81,881,870	$82,001,280	$83,904,497	$87,896,561	$96,137,304
Less: Vacancy & Collection Loss	($647,343)	($666,670)	($715,510)	($728,373)	($759,254)	($818,819)	($820,013)	($839,045)	($878,966)	($961,373)
EFFECTIVE GROSS INCOME	$64,086,922	$66,000,333	$70,835,510	$72,108,924	$75,166,100	$81,063,051	$81,181,267	$83,065,452	$87,017,595	$95,175,931
OPERATING EXPENSES										
Real Estate Taxes	$10,888,829	$11,215,493	$11,551,958	$11,898,517	$12,255,472	$12,623,136	$13,001,831	$13,391,886	$13,793,642	$14,207,452
Operating Expenses	$14,918,697	$15,366,258	$15,827,246	$16,302,062	$16,791,124	$17,294,858	$17,813,702	$18,348,113	$18,898,558	$19,465,515
Ground Rent	$2,546,500	$2,546,500	$2,652,604	$2,801,150	$2,801,150	$2,801,150	$2,801,150	$8,443,736	$16,343,357	$16,343,357
TOTAL OPERATING EXPENSES	$28,354,026	$29,128,251	$30,031,808	$31,001,729	$31,847,746	$32,719,144	$33,616,683	$40,183,735	$49,035,557	$50,016,324
NET OPERATING INCOME	$35,732,896	$36,872,082	$40,803,702	$41,107,195	$43,318,354	$48,343,907	$47,564,584	$42,881,717	$37,982,038	$45,159,607
Per Square Foot	*$30.67*	*$31.64*	*$35.02*	*$35.28*	*$37.18*	*$41.49*	*$40.82*	*$36.80*	*$32.60*	*$38.76*

40 WALL STREET
Market Value "As Is" on June 1, 2015
Cash Flow Analysis

	YEAR 1 FY 2016	YEAR 2 FY 2017	YEAR 3 FY 2018	YEAR 4 FY 2019	YEAR 5 FY 2020	YEAR 6 FY 2021	YEAR 7 FY 2022	YEAR 8 FY 2023	YEAR 9 FY 2024	YEAR 10 FY 2025
LEASING & CAPITAL COSTS										
Tenant Improvements	$1,610,620	$1,746,885	$2,789,717	$768,640	$228,493	$2,103,448	$4,643,442	$5,390,577	$1,600,116	$359,475
Leasing Commissions	$841,255	$859,432	$1,455,006	$378,168	$114,792	$1,118,281	$2,345,404	$2,770,728	$806,883	$178,614
Capital Reserves	$116,521	$120,016	$123,617	$127,325	$131,145	$135,079	$139,132	$143,306	$147,605	$152,033
TOTAL LEASING & CAPITAL COSTS	$2,568,296	$2,726,333	$4,368,340	$1,274,033	$474,430	$3,356,808	$7,127,978	$8,304,611	$2,454,604	$690,122
TOTAL CASH FLOW	$12,858,643	$18,724,375	$19,794,183	$25,111,757	$27,638,271	$23,931,207	$20,213,057	$20,922,230	$32,726,348	$37,230,831
Annual Overall Capitalization Rate	2.66%	3.97%	4.47%	4.89%	5.21%	5.05%	5.06%	5.41%	6.51%	7.02%
Annual Cash on Cash Return	2.38%	3.47%	3.67%	4.65%	5.12%	4.43%	3.74%	3.87%	6.06%	6.89%

	YEAR 11 FY 2026	YEAR 12 FY 2027	YEAR 13 FY 2028	YEAR 14 FY 2029	YEAR 15 FY 2030	YEAR 16 FY 2031	YEAR 17 FY 2032	YEAR 18 FY 2033	YEAR 19 FY 2034	YEAR 20 FY 2035
LEASING & CAPITAL COSTS										
Tenant Improvements	$3,337,572	$3,419,423	$2,143,778	$4,926,079	$5,653,899	$2,240,389	$2,942,070	$6,345,898	$2,985,759	$853,813
Leasing Commissions	$1,736,013	$1,699,232	$1,118,045	$2,536,464	$2,826,596	$1,101,240	$2,784,704	$3,304,331	$1,551,948	$609,317
Capital Reserves	$156,594	$161,292	$166,131	$171,115	$176,248	$181,535	$186,982	$192,591	$198,369	$204,320
TOTAL LEASING & CAPITAL COSTS	$5,230,179	$5,279,947	$3,427,954	$7,633,658	$8,656,743	$3,523,164	$5,913,756	$9,842,820	$4,736,076	$1,667,450
TOTAL CASH FLOW	$30,502,717	$31,592,135	$37,375,748	$33,473,537	$34,661,611	$44,820,743	$41,650,828	$33,038,897	$33,245,962	$43,492,157
Annual Overall Capitalization Rate	6.62%	6.83%	7.56%	7.61%	8.02%	8.95%	8.81%	7.94%	7.03%	8.36%
Annual Cash on Cash Return	5.65%	5.85%	6.92%	6.20%	6.42%	8.30%	7.71%	6.12%	6.16%	8.05%

PROPERTY VALUATION MATRIX AND CASH FLOW SUMMARY ($000's)

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
Net Cash Flow	$12,859	$18,724	$19,794	$25,112	$27,638	$23,931	$20,213	$20,922	$32,726	$37,231
Residual Value	0	0	0	0	0	0	0	0	0	0
Total Cash Flow Proceeds	$12,859	$18,724	$19,794	$25,112	$27,638	$23,931	$20,213	$20,922	$32,726	$37,231

	YEAR 11	YEAR 12	YEAR 13	YEAR 14	YEAR 15	YEAR 16	YEAR 17	YEAR 18	YEAR 19	YEAR 20
Net Cash Flow	$30,503	$31,592	$37,376	$33,474	$34,662	$44,821	$41,651	$33,039	$33,246	
Residual Value	0	0	0	0	0	0	0	0	824,313	
Total Cash Flow Proceeds	$30,503	$31,592	$37,376	$33,474	$34,662	$44,821	$41,651	$33,039	$857,559	

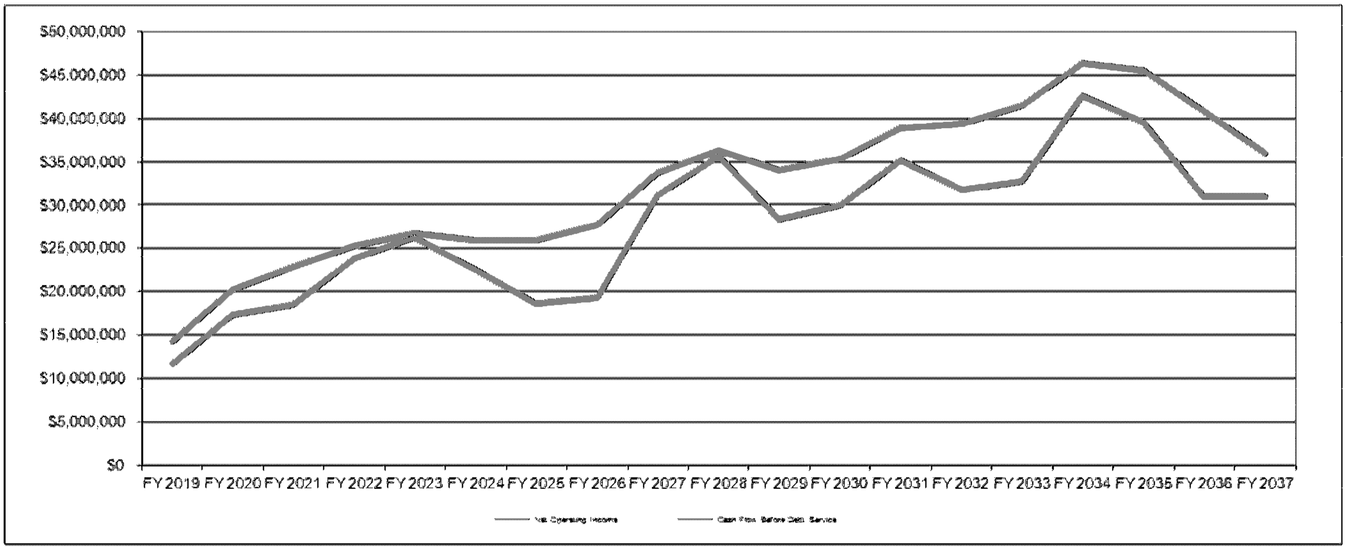
PRICING MATRIX - Sale/Yield Matrix (000's)

IRR	Terminal Cap Rate 4.25%	4.75%	5.25%	5.75%	6.25%
5.50%	$686,426 ($589)	$647,601 ($556)	$616,171 ($529)	$590,208 ($507)	$568,398 ($488)
6.00%	$640,459 ($550)	$604,969 ($519)	$576,240 ($495)	$552,507 ($474)	$532,571 ($457)
6.50%	$598,226 ($513)	$565,772 ($486)	$539,600 ($463)	$517,797 ($444)	$499,666 ($429)
7.00%	$559,395 ($480)	$529,705 ($455)	$505,670 ($434)	$486,815 ($417)	$469,136 ($403)
7.50%	$523,666 ($449)	$496,492 ($426)	$474,495 ($407)	$456,323 ($392)	$441,058 ($379)

VALUATION ASSUMPTIONS

Discount Rate:	6.50%
Terminal Cap Rate:	5.25%
Cost of Sale at Reversion	4.00%
Square Footage NRA (sf)	1,165,207
Holding Period	19 Years
Value of Cash Flow	290,356,486
Value of Reversion	249,143,384
ESTIMATED MARKET VALUE	$540,000,000
Per Square Foot	$463.44

The following graph depicts the forecasted change in both net income and net cash flow over the analysis period.



INVESTOR SURVEY TRENDS

Historic trends in real estate investment help us understand the current and future direction of the market. Investors' return requirements are a benchmark by which real estate assets are bought and sold.

The investment criteria derived from the improved property sales within the Sales Comparison Approach section of this report also lend support to national investor surveys of investment parameters. Following is a brief review of effective gross income multipliers, overall rates, forecasted holding periods, internal rates of return and terminal overall rates from several Downtown Manhattan office building sales.

SALES ECONOMIC INDICATORS - DOWNTOWN MANHATTAN

No.	Sales Date	Property Name	Price	Price/ NRA	OAR	Forecast	IRR	Terminal OAR
1	Jun-15	100 Wall Street	$270,000,000	$522	3.04%	14	6.00%	5.00%
2	Mar-15	123 William Street	$253,000,000	$464	2.68%	14	7.00%	5.00%
3	Dec-14	32 Old Slip	$675,000,000	$582	4.00%	14	6.00%	5.00%
4	Sep-14	180 Maiden Lane	$470,000,000	$395	n/a	14	7.00%	5.50%
5	Aug-14	77 Water Street	$245,000,000	$387	7.68%	10	7.00%	5.50%
6	Aug-14	80 Broad Street	$175,000,000	$425	3.74%	10	6.50%	5.00%
7	Aug-14	222 Broadway	$502,000,000	$647	4.15%	11	7.00%	5.00%
8	May-14	61 Broadway	$330,000,000	$419	4.46%	11	7.00%	5.00%
9	May-14	110 William Street	$261,100,000	$281	4.97%	11	7.00%	5.00%
10	Mar-14	388-390 Greenwich Street	$1,585,000,000	$602	6.90%	10	7.00%	5.00%
11	Mar-14	160 Water Street	$165,000,000	$338	4.28%	10	7.50%	5.00%
12	Feb-14	55 Broadway	$157,000,000	$438	4.87%	13	8.00%	5.50%

** Compiled by Cushman & Wakefield Valuation & Advisory*

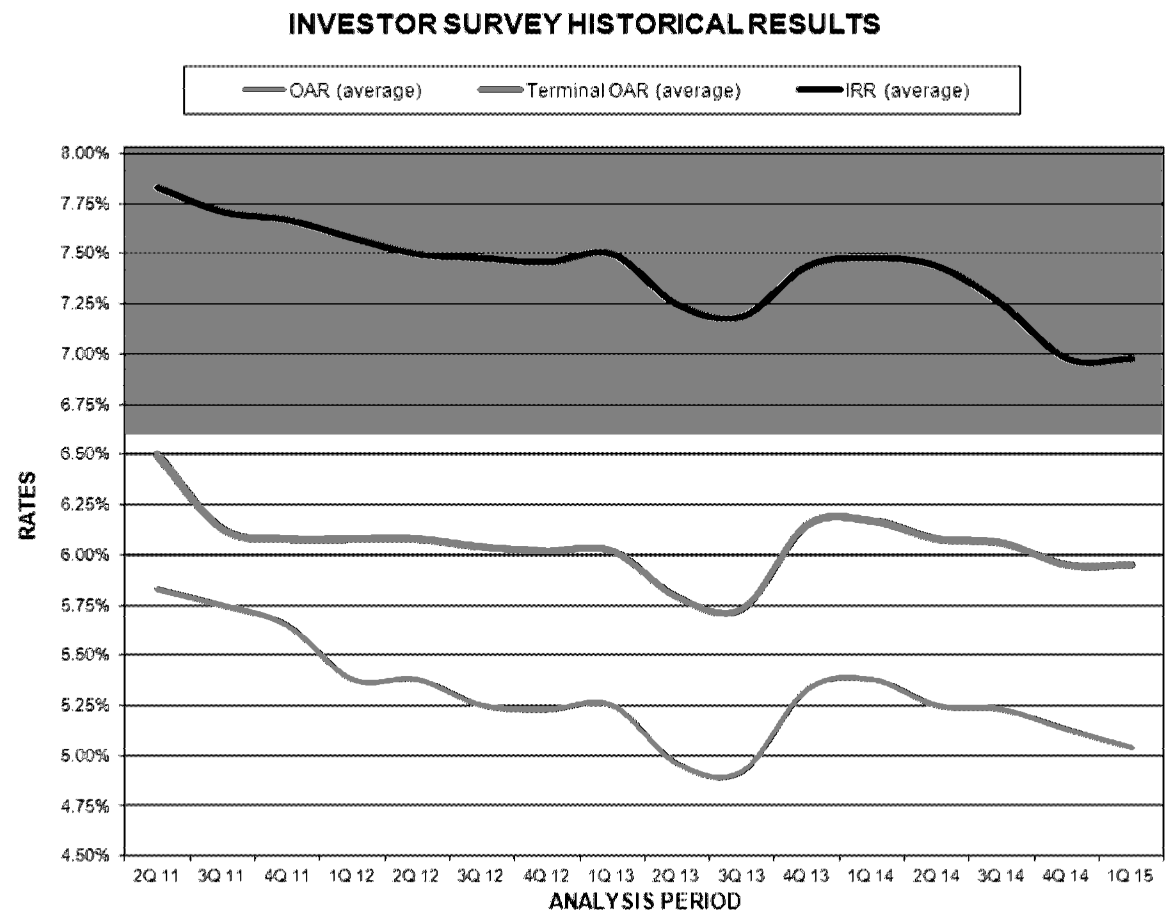
It should be noted that the internal rate of return and terminal overall capitalization rate information reflected in the above chart was extracted from cash flows prepared by Cushman & Wakefield, Inc. from appraisals they prepared of these properties. This information is not provided in publications, but is a technique which only Cushman & Wakefield, Inc. employs in their analysis of New York City office building sales from an appraisal standpoint. The Cushman & Wakefield, Inc. internal rate of return and terminal overall capitalization rate information are confirmed directly from the owners of the respective properties when the properties were appraised.

In addition, the following graph shows the historic trends for the subject's asset class spanning a period of four years as reported in the PricewaterhouseCoopers Real Estate Investor Survey.

INVESTOR SURVEY HISTORICAL RESULTS

Survey:	PwC	End Quarter:
Property Type:	MANHATTAN OFFICE	1Q 15

Quarter	2Q 11	3Q 11	4Q 11	1Q 12	2Q 12	3Q 12	4Q 12	1Q 13	2Q 13	3Q 13	4Q 13	1Q 14	2Q 14	3Q 14	4Q 14	1Q 15
OAR (average)	5.83%	5.75%	5.65%	5.38%	5.38%	5.25%	5.23%	5.25%	4.96%	4.92%	5.33%	5.38%	5.25%	5.23%	5.13%	5.04%
Terminal OAR (average)	6.50%	6.13%	6.08%	6.08%	6.08%	6.04%	6.02%	6.02%	5.79%	5.73%	6.15%	6.17%	6.08%	6.06%	5.95%	5.95%
IRR (average)	7.83%	7.71%	7.67%	7.58%	7.50%	7.48%	7.46%	7.50%	7.25%	7.19%	7.44%	7.48%	7.44%	7.25%	6.98%	6.98%



Source: PwC Real Estate Investor Survey

As the chart illustrates, investment market conditions have shown considerable improvement over 2011 data. The (average) IRR requirements for Manhattan office properties have decreased quarterly from 2nd quarter 2010 through first quarter 2015, with the reported IRR's improving over the past four years. During this time period IRR requirements (average) have declined by 85 basis points from 7.83 percent as of second quarter 2011 to the current level of 6.98 percent as of 1st quarter 2015. In the 4th quarter of 2013 we saw the first increase in IRR since 4th quarter of 2012; however, the average IRR declined 50 basis points from the first quarter 2014.

FINANCIAL ASSUMPTIONS

The financial assumptions used in the Discount Cash Flow analysis are discussed in the following commentary. A terminal capitalization rate was used to develop an opinion of the market value of the property at the end of the assumed investment holding period. We based the estimate of property value at reversion on assumed resale at the end of Year 19, using our forecast of Year 20 net operating income. Our selection of holding period is to account the rent reset renewal in 2033, which has can have material impact on the subject's projected NOI. The reversion value was calculated by applying a capitalization rate of 5.25 percent to the fiscal year 2035 NOI and subtracting sales expenses of 4.00 percent before making deductions for leasing commissions, tenant improvement allowances and reserves for replacement. The net cash flows and the net reversion were discounted to net present value using a discount rate of 6.50 percent, the derivation of which is discussed below.

TERMINAL CAPITALIZATION RATE SELECTION

A terminal capitalization rate was used to estimate the market value of the property at the end of the assumed investment-holding period. We estimated an appropriate terminal rate based on indicated rates in today's market. PriceWaterhouseCoopers, Inc. periodically surveys national real estate investors to determine terminal capitalization rates considered acceptable by respondents.

DOWNTOWN MANHATTAN OFFICE BUILDING SALES
TERMINAL CAPITALIZATION RATE SUMMARY

No.	Property	Capitalization Rate
1	100 Wall Street	5.00%
2	123 William Street	5.00%
3	32 Old Slip	5.00%
4	180 Maiden Lane	5.50%
5	77 Water Street	5.50%
6	80 Broad Street	5.00%
7	222 Broadway	5.00%
8	61 Broadway	5.00%
9	110 William Street	5.00%
10	388-390 Greenwich Street	5.00%
11	160 Water Street	5.00%
12	55 Broadway	5.50%

STATISTICS	
Low	5.00%
High	5.50%
Median	5.00%
Average	5.13%

** Compiled by Cushman & Wakefield Valuation & Advisory*

In addition, PriceWaterhouseCoopers, Inc. periodically surveys national real estate investors to determine terminal capitalization rates considered acceptable by respondents.

TERMINAL CAPITALIZATION RATES (OAR_{out})			
Survey	**Date**	**Range**	**Average**
PwC	First Quarter 2015	5.00% - 8.00%	5.95%
PwC - Refers to Manhattan Office market regardless of class or occupancy			

The terminal capitalization rates derived from the improved property sales range from 5.00 to 6.00 percent. Investors typically add 50 to 250 basis points to the "going-in" rate to arrive at a terminal capitalization rate, according to Cushman & Wakefield's periodic investor surveys.

The subject is encumbered by a ground lease. As stated, the subject's ground lease payments currently total $1,650,000 with subsequent set increases through 2032. In 2033 the lease payments are revalued to the greater of either; (a) 6.0% the then value of the land considered as vacant and unimproved but with the right to construct a 900,000 square foot office building with grade retail; or, (b) 85.0% of the then lease payments. In our selection of terminal capitalization rate, we have considered the future ground rent reset and applied a 50 base point premium associated with the ground rent reset risk.

In consideration of the subject's location, below market contract rents, leasehold estate, future ground rent reset, significant roll over during the analysis period and expected increase in Downtown Manhattan market rents, we have applied a 5.25 percent terminal capitalization rate in our analysis. This rate is supported by the comparable sales and the investor surveys previously cited.

DISCOUNT RATE ANALYSIS

We estimated future cash flows, including property value at reversion, and discounted that income stream at an internal rate of return (yield rates) currently required by investors for similar-quality real property. The yield rate (internal rate of return or IRR) is the single rate that discounts all future equity benefits (cash flows and equity reversion) to an estimate of net present value.

The investment criteria derived from the improved property sales within the Sales Comparison Approach section of this report also lend support to national investor surveys of investment parameters.

DOWNTOWN MANHATTAN OFFICE BUILDING SALES DISCOUNT RATE (IRR) SUMMARY		
No.	**Property**	**Discount Rate**
1	100 Wall Street	6.00%
2	123 William Street	7.00%
3	32 Old Slip	6.00%
4	180 Maiden Lane	7.00%
5	77 Water Street	7.00%
6	80 Broad Street	6.50%
7	222 Broadway	7.00%
8	61 Broadway	7.00%
9	110 William Street	7.00%
10	388-390 Greenwich Street	7.00%
11	160 Water Street	7.50%
12	55 Broadway	8.00%

STATISTICS	
Low	6.00%
High	8.00%
Median	7.00%
Average	6.92%

** Compiled by Cushman & Wakefield Valuation & Advisory*

The First Quarter 2015 PriceWaterhouseCoopers, Inc. survey indicates that investors considered acceptable internal rates of return within the following range:

DISCOUNT RATES (IRR)			
Survey	**Date**	**Range**	**Average**
PwC	First Quarter 2015	6.00% - 9.00%	6.98%

PwC - Refers to Manhattan Office market regardless of class or occupancy

The discount rates exhibited by improved sales were given more weight in our analysis, since they reflect current local market data of Manhattan office properties, and are more relevant than the broad Manhattan office investor surveys. The investment criteria derived from the improved property sales within the Sales Comparison Approach section of this report also lend support to national investor surveys of investment parameters.

SUMMARY OF DISCOUNT RATE SELECTION

Several sources of discount rate (internal rate of return) information were analyzed including Investor Survey data. The internal rates of return cited previously, by the PriceWaterhouseCoopers, Inc. survey, range from 6.00 to 9.00 percent. Manhattan office building sales reflect internal rates of return ranging from 6.50 to 8.00 percent.

In our selection of a discount rate for the subject property, we have examined mortgage rates available today. The interest rate for a 30-year fixed rate mortgage is currently below 5.00 percent. In addition, the current discount rate, or the interest rate charged by the Federal Reserve when banks borrow money of 0.75 percent is still near historic lows.

Therefore, taking into consideration 40 Wall Street's location, construction quality, tenant roster, leasing profile, ground lease payments, below market contract rents, significant rollover during the analysis period, and declining returns expected by investors in the current market in relation to other office properties, and location, we discounted the cash flows at 6.50 percent. Our discount rate selection is reasonable given the relative strength of the cash flow of the subject property, which is considered to be a prime quality asset.

DISCOUNTED CASH FLOW SUMMARY

Based upon the above, it is our opinion that an investor would require a discount rate in the range of 6.00 to 7.00 percent with a terminal capitalization rate ranging from 4.75 to 5.75 percent. Accordingly, we have discounted the projected future pre-tax cash flows to be received by an equity investor in the subject property to a present value from 6.00 to 7.00 percent at 50 basis point intervals. Discounting these cash flows, over the range of yields and terminal rates that are now being required by participants in the market, for this type of real estate, places additional perspective upon our analysis. A valuation matrix for the subject property is presented below.

VALUATION MATRIX 40 Wall Street– Market Value "As Is" ($000's)			
	Terminal Capitalization Rates		
IRR	**4.75%**	**5.25%**	**5.75%**
6.00%	$605,000	$576,000	$553,000
6.50%	$566,000	$539,000	$518,000
7.00%	$530,000	$506,000	$486,000

The value of the subject property varies with the discount rates and range of terminal capitalization rates from approximately **$486,000,000 to $605,000,000**, as rounded. Given consideration to all of the characteristics of the subject property previously discussed, we feel that a prudent investor would require a yield, which falls near the mid-point of the market range outlined above for this property.

In view of the analysis presented, it is our opinion that the discounted cash flow analysis indicates a market value of **$540,000,000**, as rounded, for the subject property. The indices of investment generated through this indication of value are presented as follows.

VALUATION PARAMETERS	
40 WALL STREET, NY, NY	
Terminal Capitalization Rate	5.25%
Equity Yield	6.50%
Price/SF of NRA	$463.44

DISCOUNTED CASH FLOW ANALYSIS AND DCF SUMMARY TABLE

Based on the discount rate selected above, market value would be **$540,000,000**, rounded. The reversionary sale contributes 46.18 percent to this value estimate. The 19 year discounted cash flow summary table is presented on the following page.

40 Wall Street

Between Nassau and William Streets
New York City

Discounted Cash Flow Analysis
Market Value "As Is" on June 1, 2015

FISCAL YEAR		NET CASH FLOW		DISCOUNT FACTOR @ 6.50%			PRESENT VALUE OF CASH FLOWS	COMPOSITION OF YIELD	ANNUAL CASH ON CASH RETURN
One	$	12,858,643	X	0.938967	=	$	12,073,843	2.24%	2.38%
Two	$	18,724,375	X	0.881659	=	$	16,508,519	3.06%	3.47%
Three	$	19,794,183	X	0.827849	=	$	16,386,596	3.04%	3.67%
Four	$	25,111,757	X	0.777323	=	$	19,519,949	3.62%	4.65%
Five	$	27,638,271	X	0.729881	=	$	20,172,644	3.74%	5.12%
Six	$	23,931,207	X	0.685334	=	$	16,400,873	3.04%	4.44%
Seven	$	20,213,057	X	0.643506	=	$	13,007,228	2.41%	3.75%
Eight	$	20,922,230	X	0.604231	=	$	12,641,864	2.34%	3.88%
Nine	$	32,726,348	X	0.567353	=	$	18,567,399	3.44%	6.07%
Ten	$	37,230,831	X	0.532726	=	$	19,833,833	3.68%	6.90%
Eleven	$	30,502,717	X	0.500212	=	$	15,257,832	2.83%	5.65%
Twelve	$	31,592,135	X	0.469683	=	$	14,838,284	2.75%	5.86%
Thirteen	$	37,375,748	X	0.441017	=	$	16,483,331	3.06%	6.93%
Fourteen	$	33,473,537	X	0.414100	=	$	13,861,400	2.57%	6.20%
Fifteen	$	34,661,611	X	0.388827	=	$	13,477,354	2.50%	6.42%
Sixteen	$	44,820,743	X	0.365095	=	$	16,363,844	3.03%	8.31%
Seventeen	$	41,650,828	X	0.342813	=	$	14,278,425	2.65%	7.72%
Eighteen	$	33,038,897	X	0.321890	=	$	10,634,880	1.97%	6.12%
Nineteen	$	33,245,962	X	0.302244	=	$	10,048,387	1.86%	6.16%
Total Present Value of Cash Flows						$	290,356,486	53.82%	5.46% Average
Reversion:									
Twenty	$	45,159,607	(1) /	5.25%	=	$	860,182,990		
	Less: Cost of Sale @			4.00%		$	34,407,320		
	Less: T.I and Comm.					$	1,463,130		
	Net Reversion					$	824,312,541		
	X Discount Factor						0.302244		
Total Present Value of Reversion						$	249,143,384	46.18%	
Total Present Value						$	539,499,870	100.00%	
		ROUNDED:				**$**	**540,000,000**		

Net Rentable Area (SF):	1,165,207
Per Square Foot of Net Rentable Area:	$463.44
Implicit Going-in Capitalization Rate:	
Year One NOI (12 Months)	$15,426,939
Going-In Cap Rate	2.86%
Compounded Annual Growth Rate Concluded to Reversion:	2.48%
Compounded Annual Growth Rate Net cash Flow:	n/a

Note: (1) Net Operating Income

DIRECT CAPITALIZATION VALUATION METHOD

In the direct capitalization method, we estimated market value by dividing stabilized net operating income by an overall rate derived from our analyses of market sales and computed by dividing the net operating income from a sold property by its sale price. The overall capitalization rates derived from the improved property sales are between 2.68 and 7.68 percent. The overall capitalization rates derived from the most applicable improved property sales are shown below.

DOWNTOWN MANHATTAN OFFICE BUILDING SALES OVERALL CAPITALIZATION RATE SUMMARY		
No.	Property	Capitalization Rate
1	100 Wall Street	3.04%
2	123 William Street	2.68%
3	32 Old Slip	4.00%
4	180 Maiden Lane	n/a
5	77 Water Street	7.68%
6	80 Broad Street	3.74%
7	222 Broadway	4.15%
8	61 Broadway	4.46%
9	110 William Street	4.97%
10	388-390 Greenwich Street	6.90%
11	160 Water Street	4.28%
12	55 Broadway	4.87%

STATISTICS	
Low	2.68%
High	7.68%
Median	4.28%
Average	4.62%

** Compiled by Cushman & Wakefield Valuation & Advisory*

Additional support can be drawn from the First Quarter 2015 PriceWaterhouseCoopers, Inc. overall capitalization rate survey:

CAPITALIZATION RATES			
Survey	Date	Range	Average
PwC	First Quarter 2015	3.75% - 8.00%	5.04%

PwC - Refers to Manhattan Office market regardless of class or occupancy

In the context of the direct capitalization method, a going-in rate of 4.25 percent is considered reasonable, compensating the typical buyer for the risk inherent in investing in this building, with consideration to the below market leases. We have applied the direct capitalization a summary of the direct capitalization method is shown below.

Indicated Value Based on Direct Capitalization of NOI

DIRECT CAPITALIZATION METHOD			
NOI (PLUS YEAR ONE FREE RENT)		**$23,203,919**	**$19.91**
Sensitivity Analysis OAR Spread	**0.50%**	**Value**	**$/SF NRA**
Based on Low-Range	3.75%	$618,771,173	$531.04
Based on Most Probable Range	4.25%	$545,974,565	$468.56
Based on High-Range	4.75%	$488,503,558	$419.24
Indicated Value		$545,974,565	$468.56
Less: Year One Free Rent		($7,776,980)	($6.67)
Reconciled Value		$538,197,585	$461.89
Rounded		$540,000,000	$463.44

The year one going-in capitalization rate indicated in the discounted cash flow is 2.86 percent, which reflects the subject's below market leases. This rate is in line with going-in capitalization rates indicated by the improved sales. We have placed most weight on the discounted cash flow analysis with support drawn from the conclusion by direct capitalization.

RECONCILIATION WITHIN INCOME CAPITALIZATION APPROACH

SUMMARY OF INCOME CAPITALIZATION METHODS	
Value Indicated by the Discounted Cash Flow Method:	$540,000,000
Value Indicated by the Direct Capitalization Method:	$540,000,000

We have placed most reliance on the Discounted Cash Flow Analysis Method. This method best reflects the income potential of the property. Therefore, our opinion of market value via the Income Capitalization Approach is as follows.

INCOME CAPITALIZATION CONCLUSION	
Value Conclusion:	$540,000,000

GO DARK VALUE

We have also been asked by the Client to estimate the market value assuming the existing tenant has vacated the subject unit. The key assumption of this scenario, which is based upon the cash flow projection exhibited previously, is that the property is currently vacant and available for lease. With the exception of assuming the existing lease is terminated with the existing tenant and the vacant space is leased within 36 months, all other assumptions such as market rent, growth rate, rent concessions and credit loss remain the same as the "As Is" scenario. We have included a 15-year cash flow projection reflecting the assumptions used in this scenario, which assume a fiscal year analysis beginning January 1, 2015.

Based upon the above, it is our opinion that an investor would require a discount rate in the range of 6.75 to 7.75 percent with a terminal capitalization rate ranging from 4.75 to 5.75 percent. Accordingly, we have discounted the projected future pre-tax cash flows to be received by an equity investor in the subject property to a present value from 6.75 to 7.75 percent at 50 basis point intervals. Discounting these cash flows, over the range of yields and terminal rates that are now being required by participants in the market, for this type of real estate, places additional perspective upon our analysis. A valuation matrix for the subject property is presented below.

VALUATION MATRIX
40 Wall Street – "Hypothetical Go Dark Value" ($000's)

	Terminal Capitalization Rates		
IRR	**4.75%**	**5.25%**	**5.75%**
6.75%	$497,000	$470,000	$448,000
7.25%	$460,000	$435,000	$415,000
7.75%	$426,000	$403,000	$385,000

The value of the subject property varies with the discount rates and range of terminal capitalization rates from approximately **$385,000,000 to $497,000,000**, as rounded. Given consideration to all of the characteristics of the subject property previously discussed, we feel that a prudent investor would require a yield, which falls near the mid-point of the market range outlined above for this property.

In view of the analysis presented, it is our opinion that the discounted cash flow analysis indicates a market value of **$440,000,0000**, as rounded, for the subject property. The indices of investment generated through this indication of value are presented as follows.

VALUATION PARAMETERS
40 WALL STREET
NEW YORK, NEW YORK

Terminal Capitalization Rate	5.25%
Equity Yield	7.25%
Price/SF of NRA	$377.62

DISCOUNTED CASH FLOW ANALYSIS AND DCF SUMMARY TABLE HYPOTHETICAL GO-DARK VALUATION SCENARIO

On the following pages is our 15-year cash flow projection, which includes our 19-year holding period and 20-year reversionary year. The cash flow reflects the results of the **Argus for Windows** projection imported to **Microsoft Excel**. The cash flow exhibits a value matrix along with a matrix of rates of return over the projection period.

Based on the discount rate selected above, hypothetical "go dark" value would be $440,000,000 rounded. The reversionary sale contributes 53.94 percent to this value estimate. The 15 year discounted cash flow is presented on the following page.

40 Wall Street
Hypothetical "Go Dark" Value on June 1, 2015
Cash Flow Analysis

	YEAR 1 FY 2016	YEAR 2 FY 2017	YEAR 3 FY 2018	YEAR 4 FY 2019	YEAR 5 FY 2020	YEAR 6 FY 2021	YEAR 7 FY 2022	YEAR 8 FY 2023	YEAR 9 FY 2024	YEAR 10 FY 2025
POTENTIAL GROSS INCOME										
Base Rental Revenue	$7,606,828	$25,704,395	$45,395,003	$59,024,509	$59,024,523	$59,785,209	$61,594,964	$63,564,024	$64,926,973	$64,926,973
Base Rent Abatements	($6,701,775)	($16,929,774)	($19,251,226)	($10,495,120)	$0	$0	$0	$0	$0	$0
BASE RENTAL INCOME	$905,053	$8,774,621	$26,143,777	$48,529,389	$59,024,523	$59,785,209	$61,594,964	$63,564,024	$64,926,973	$64,926,973
Real Estate Taxes	$0	$83,285	$363,312	$804,063	$1,294,987	$1,680,968	$1,961,654	$2,250,765	$2,548,547	$2,855,259
Operating Expenses	$0	$66,241	$249,658	$558,373	$907,416	$1,266,882	$1,637,166	$2,018,561	$2,411,368	$2,815,998
Tenant Electric	$1,728,000	$1,779,840	$1,833,235	$1,888,232	$1,944,879	$2,003,226	$2,063,322	$2,125,222	$2,188,979	$2,254,648
TOTAL REIMBURSEMENT REVENUE	$1,728,000	$1,929,366	$2,446,205	$3,250,668	$4,147,282	$4,951,076	$5,662,142	$6,394,548	$7,148,894	$7,925,905
Add: Miscellaneous Income	$1,205,229	$1,241,386	$1,278,627	$1,316,986	$1,356,496	$1,397,191	$1,439,106	$1,482,279	$1,526,748	$1,572,550
POTENTIAL GROSS INCOME	$3,838,282	$11,945,373	$29,868,609	$53,097,043	$64,528,301	$66,133,476	$68,696,212	$71,440,851	$73,602,615	$74,425,428
Less: Vacancy & Collection Loss	($38,383)	($119,454)	($298,686)	($530,970)	($645,283)	($661,335)	($686,962)	($714,409)	($736,026)	($744,254)
EFFECTIVE GROSS INCOME	$3,799,899	$11,825,919	$29,569,923	$52,566,073	$63,883,018	$65,472,141	$68,009,250	$70,726,442	$72,866,589	$73,681,174
OPERATING EXPENSES										
Real Estate Taxes	$7,185,819	$7,538,804	$8,028,602	$8,512,468	$9,005,309	$9,392,799	$9,674,583	$9,964,820	$10,263,765	$10,571,678
Operating Expenses	$11,100,911	$11,433,938	$11,776,956	$12,130,265	$12,494,175	$12,868,998	$13,255,069	$13,652,719	$14,062,303	$14,484,170
Ground Rent	$1,650,000	$1,650,000	$1,718,750	$1,815,000	$2,023,333	$2,315,000	$2,315,000	$2,411,458	$2,546,500	$2,546,500
TOTAL OPERATING EXPENSES	$19,936,730	$20,622,742	$21,524,308	$22,457,733	$23,522,817	$24,576,797	$25,244,652	$26,028,997	$26,872,568	$27,602,348
NET OPERATING INCOME	($16,136,831)	($8,796,823)	$8,045,615	$30,108,340	$40,360,201	$40,895,344	$42,764,598	$44,697,445	$45,994,021	$46,078,826
Per Square Foot	*$13.85*	*$7.55*	*$6.90*	*$25.84*	*$34.64*	*$35.10*	*$36.70*	*$38.36*	*$39.47*	*$39.55*

	YEAR 11 FY 2026	YEAR 12 FY 2027	YEAR 13 FY 2028	YEAR 14 FY 2029	YEAR 15 FY 2030	YEAR 16 FY 2031	YEAR 17 FY 2032	YEAR 18 FY 2033	YEAR 19 FY 2034	YEAR 20 FY 2035
POTENTIAL GROSS INCOME										
Base Rental Revenue	$64,454,913	$67,877,297	$67,469,384	$73,205,373	$75,174,615	$73,501,429	$76,568,098	$84,833,631	$90,258,781	$90,455,710
Base Rent Abatements	($1,850,488)	($2,040,700)	($4,338,883)	($10,555,235)	$0	($3,317,062)	($15,341,487)	($15,006,968)	($1,063,273)	$0
BASE RENTAL INCOME	$62,604,425	$65,836,597	$63,130,501	$62,650,138	$75,174,615	$70,184,367	$61,226,611	$69,826,663	$89,195,508	$90,455,710
Real Estate Taxes	$3,029,541	$3,150,421	$3,083,326	$2,732,547	$3,089,157	$3,006,161	$1,860,939	$1,012,240	$1,335,203	$1,748,610
Operating Expenses	$3,192,727	$3,439,899	$3,423,940	$3,048,148	$3,517,194	$3,487,359	$2,215,628	$1,238,490	$1,670,342	$2,214,085
Tenant Electric	$2,322,288	$2,391,956	$2,463,715	$2,537,626	$2,613,755	$2,692,168	$2,772,933	$2,856,121	$2,941,804	$3,030,058
TOTAL REIMBURSEMENT REVENUE	$8,544,556	$8,982,276	$8,970,981	$8,318,321	$9,220,106	$9,185,688	$6,849,500	$5,106,851	$5,947,349	$6,992,753
Add: Miscellaneous Income	$1,619,726	$1,668,318	$1,718,368	$1,769,920	$1,823,018	$1,877,707	$1,934,039	$1,992,060	$2,051,823	$2,113,376
POTENTIAL GROSS INCOME	$72,768,707	$76,487,191	$73,819,850	$72,738,379	$86,217,739	$81,247,762	$70,010,150	$76,925,574	$97,194,680	$99,561,839
Less: Vacancy & Collection Loss	($727,687)	($764,872)	($738,198)	($727,384)	($862,177)	($812,478)	($700,101)	($769,256)	($971,947)	($995,618)
EFFECTIVE GROSS INCOME	$72,041,020	$75,722,319	$73,081,652	$72,010,995	$85,355,562	$80,435,284	$69,310,049	$76,156,318	$96,222,733	$98,566,221
OPERATING EXPENSES										
Real Estate Taxes	$10,888,828	$11,215,493	$11,551,958	$11,898,517	$12,255,472	$12,623,136	$13,001,831	$13,391,885	$13,793,642	$14,207,451
Operating Expenses	$14,918,697	$15,366,258	$15,827,246	$16,302,062	$16,791,124	$17,294,858	$17,813,702	$18,348,113	$18,898,558	$19,465,515
Ground Rent	$2,546,500	$2,546,500	$2,652,604	$2,801,150	$2,801,150	$2,801,150	$2,801,150	$8,443,736	$16,343,357	$16,343,357
TOTAL OPERATING EXPENSES	$28,354,025	$29,128,251	$30,031,808	$31,001,729	$31,847,746	$32,719,144	$33,616,683	$40,183,734	$49,035,557	$50,016,323
NET OPERATING INCOME	$43,686,995	$46,594,068	$43,049,844	$41,009,266	$53,507,816	$47,716,140	$35,693,366	$35,972,584	$47,187,176	$48,549,898
Per Square Foot	*$37.49*	*$39.99*	*$36.95*	*$35.19*	*$45.92*	*$40.95*	*$30.63*	*$30.87*	*$40.50*	*$41.67*

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40 Wall Street
Hypothetical "Go Dark" Value on June 1, 2015
Cash Flow Analysis

	YEAR 1 FY 2016	YEAR 2 FY 2017	YEAR 3 FY 2018	YEAR 4 FY 2019	YEAR 5 FY 2020	YEAR 6 FY 2021	YEAR 7 FY 2022	YEAR 8 FY 2023	YEAR 9 FY 2024	YEAR 10 FY 2025
LEASING & CAPITAL COSTS										
Tenant Improvements	$11,413,540	$19,886,455	$19,708,081	$4,883,045	$0	$0	$0	$0	$0	$0
Leasing Commissions	$6,876,097	$9,561,036	$9,339,865	$2,269,240	$0	$0	$0	$0	$0	$0
Capital Reserves	$116,521	$120,016	$123,617	$127,325	$131,145	$135,079	$139,132	$143,306	$147,605	$152,033
TOTAL LEASING & CAPITAL COSTS	$18,406,158	$29,567,507	$29,171,563	$7,279,610	$131,145	$135,079	$139,132	$143,306	$147,605	$152,033
TOTAL CASH FLOW	($34,542,989)	($38,364,330)	($21,125,948)	$22,828,730	$40,229,056	$40,760,265	$42,625,466	$44,554,139	$45,846,416	$45,926,793
Annual Overall Capitalization Rate	-3.67%	-2.00%	1.83%	6.84%	9.17%	9.29%	9.72%	10.16%	10.45%	10.47%
Annual Cash on Cash Return	-7.85%	-8.72%	-4.80%	5.19%	9.14%	9.26%	9.69%	10.13%	10.42%	10.44%
PROPERTY VALUATION MATRIX AND CASH FLOW SUMMARY ($000's)										
Net Cash Flow	($34,543)	($38,364)	($21,126)	$22,829	$40,229	$40,760	$42,625	$44,554	$45,846	$45,927
Residual Value	0	0	0	0	0	0	0	0	0	0
Total Cash Flow Proceeds	($34,543)	($38,364)	($21,126)	$22,829	$40,229	$40,760	$42,625	$44,554	$45,846	$45,927

	YEAR 11 FY 2026	YEAR 12 FY 2027	YEAR 13 FY 2028	YEAR 14 FY 2029	YEAR 12 FY 2027	YEAR 13 FY 2028	YEAR 14 FY 2029	YEAR 14 FY 2029	YEAR 14 FY 2029	YEAR 15 FY 2030
LEASING & CAPITAL COSTS										
Tenant Improvements	$562,846	$3,036,864	$6,210,987	$8,590,673	$0	$7,499,213	$16,490,664	$13,856,647	$0	$0
Leasing Commissions	$1,558,698	$1,207,153	$2,753,194	$4,026,577	$0	$3,750,074	$8,246,364	$7,299,746	$0	$0
Capital Reserves	$156,594	$161,292	$166,131	$171,115	$176,248	$181,535	$186,982	$192,591	$198,369	$204,320
TOTAL LEASING & CAPITAL COSTS	$2,278,138	$4,405,309	$9,130,312	$12,788,365	$176,248	$11,430,822	$24,924,010	$21,348,984	$198,369	$204,320
TOTAL CASH FLOW	$41,408,857	$42,188,759	$33,919,532	$28,220,901	$53,331,568	$36,285,318	$10,769,356	$14,623,600	$46,988,807	$48,345,578
Annual Overall Capitalization Rate	9.93%	10.59%	9.78%	9.32%	12.16%	10.84%	8.11%	8.18%	10.72%	11.03%
Annual Cash on Cash Return	9.41%	9.59%	7.71%	6.41%	12.12%	8.25%	2.45%	3.32%	10.68%	10.99%
PROPERTY VALUATION MATRIX AND CASH FLOW SUMMARY ($000's)										
Net Cash Flow	$41,409	$42,189	$33,920	$28,221	$53,332	$36,285	$10,769	$14,624	$46,989	
Residual Value	0	0	0	0	0	0	0	0	887,770	
Total Cash Flow Proceeds	$41,409	$42,189	$33,920	$28,221	$53,332	$36,285	$10,769	$14,624	$934,758	

PRICING MATRIX - Sale/Yield Matrix (000's)

IRR	Terminal Cap Rate 4.25%	4.75%	5.25%	5.75%	6.25%
6.25%	$573,350	$536,866	$507,332	$482,934	$462,440
6.75%	$530,234 ($455)	$496,864 ($426)	$469,850 ($403)	$447,534 ($384)	$428,789 ($368)
7.25%	$490,575 ($421)	$460,040 ($395)	$435,321 ($374)	$414,901 ($356)	$397,748 ($341)
7.75%	$454,070 ($390)	$426,117 ($366)	$403,489 ($346)	$384,796 ($330)	$369,094 ($317)
8.25%	$420,444 ($361)	$394,846 ($339)	$374,123 ($321)	$357,004 ($306)	$342,624 ($294)

VALUATION ASSUMPTIONS	
Discount Rate:	7.25%
Terminal Cap Rate:	5.25%
Cost of Sale at Reversion	4.00%
Square Footage NRA (sf)	1,165,207
Holding Period	19 Years
Value of Cash Flow	200,491,844
Value of Reversion	234,828,895
ESTIMATED MARKET VALUE	$440,000,000
Per Square Foot	$377.62

CUSHMAN & WAKEFIELD
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40 Wall Street

Between Nassau and William Streets
New York City

Discounted Cash Flow Analysis
Hypothetical "Go Dark" Value on June 1, 2015

FISCAL YEAR		NET CASH FLOW		DISCOUNT FACTOR @ 7.25%			PRESENT VALUE OF CASH FLOWS	COMPOSITION OF YIELD	ANNUAL CASH ON CASH RETURN
One	$	(34,542,989)	X	0.932401	=	$	(32,207,915)	-7.40%	-7.94%
Two	$	(38,364,330)	X	0.869371	=	$	(33,352,855)	-7.66%	-8.81%
Three	$	(21,125,948)	X	0.810603	=	$	(17,124,753)	-3.93%	-4.85%
Four	$	22,828,730	X	0.755807	=	$	17,254,109	3.96%	5.24%
Five	$	40,229,056	X	0.704715	=	$	28,350,018	6.51%	9.24%
Six	$	40,760,265	X	0.657077	=	$	26,782,628	6.15%	9.36%
Seven	$	42,625,466	X	0.612659	=	$	26,114,880	6.00%	9.79%
Eight	$	44,554,139	X	0.571244	=	$	25,451,281	5.85%	10.23%
Nine	$	45,846,416	X	0.532628	=	$	24,419,102	5.61%	10.53%
Ten	$	45,926,793	X	0.496623	=	$	22,808,310	5.24%	10.55%
Eleven	$	41,408,857	X	0.463052	=	$	19,174,451	4.40%	9.51%
Twelve	$	42,188,759	X	0.431750	=	$	18,214,999	4.18%	9.69%
Thirteen	$	33,919,532	X	0.402564	=	$	13,654,787	3.14%	7.79%
Fourteen	$	28,220,901	X	0.375351	=	$	10,592,749	2.43%	6.48%
Fifteen	$	53,331,568	X	0.349978	=	$	18,664,864	4.29%	12.25%
Sixteen	$	36,285,318	X	0.326320	=	$	11,840,611	2.72%	8.34%
Seventeen	$	10,769,356	X	0.304261	=	$	3,276,692	0.75%	2.47%
Eighteen	$	14,623,600	X	0.283693	=	$	4,148,613	0.95%	3.36%
Nineteen	$	46,988,807	X	0.264516	=	$	12,429,272	2.86%	10.79%
Total Present Value of Cash Flows						$	200,491,844	46.06%	6.00% Average
Reversion:									
Twenty	$	48,549,898	(1) /	5.25%	=	$	924,759,962		
	Less: Cost of Sale @			4.00%		$	36,990,398		
	Less: T.I and Comm.					$	-		
	Net Reversion					$	887,769,563		
	X Discount Factor						0.264516		
Total Present Value of Reversion						$	234,828,895	53.94%	
Total Present Value						$	435,320,739	100.00%	
		ROUNDED:				$	440,000,000		

Net Rentable Area (SF):	1,165,207
Per Square Foot of Net Rentable Area:	$377.62
Implicit Going-in Capitalization Rate:	
Year One NOI (12 Months)	($16,136,831)
Going-In Cap Rate	-3.67%
Compounded Annual Growth Rate	
Concluded to Reversion:	3.99%
Compounded Annual Growth Rate	
Net cash Flow:	n/a

Note: (1) Net Operating Income

RECONCILIATION AND FINAL VALUE OPINION

VALUATION METHODOLOGY REVIEW AND RECONCILIATION

This appraisal employs the Sales Comparison Approach and the Income Capitalization Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that the Sales Comparison Approach and the Income Capitalization Approach would be considered meaningful and applicable in developing a credible value conclusion. The subject's age makes it difficult to accurately form an opinion of depreciation and tends to make the Cost Approach unreliable. Investors do not typically rely on the Cost Approach when purchasing a property such as the subject of this report. Therefore, we have not utilized the Cost Approach to develop an opinion of market value.

The approaches indicated the following:

METHODOLOGY	
Sales Comparison Approach:	$540,000,000
Income Capitalization Approach:	$540,000,000

The Sales Comparison Approach requires application of methods from the Income Capitalization Approach in order to make adjustments for differences in effective gross or net income that have influenced the sale price. Consideration of market data is also required for the Income Capitalization Approach in the selection of market rent and in the application of capitalization rates and discount rates, and estimation of income and expenses. Consequently, it is our opinion that purchasers and sellers intuitively consider components of the Sales Comparison Approach and the Income Capitalization Approach in the process of negotiating an acceptable price for a particular property.

It is the Income Capitalization Approach, however, that is logically considered the most appropriate technique for estimating the value of income-producing property. Not only does this approach represent the most direct and accurate simulation of market behavior, it is the method explicitly employed by buyers and sellers in acquisition and disposition decisions. We have, therefore used an approach based primarily on projected income and expense as the foundation for our valuation of the subject property.

Based on the agreed to Scope of Work, and as outlined in the report, we have developed the following opinion of market value:

Value Conclusions

Appraisal Premise	Real Property Interest	Date Of Value	Value Conclusion
Market Value As-Is	Leasehold Estate	6/1/2015	$540,000,000
Hypothetical Value - Go Dark	Leasehold Estate	6/1/2015	$440,000,000

Compiled by Cushman & Wakefield, Inc.

EXPOSURE TIME AND MARKETING TIME

Based on our review of national investor surveys, discussions with market participants and information gathered during the sales verification process, a reasonable exposure time for the subject property at the value concluded within this report would have been approximately six (6) months. This assumes an active and professional marketing plan would have been employed by the current owner.

ASSUMPTIONS AND LIMITING CONDITIONS

"Report" means the appraisal or consulting report and conclusions stated therein, to which these Assumptions and Limiting Conditions are annexed.

"Property" means the subject of the Report.

"C&W" means Cushman & Wakefield, Inc. or its subsidiary that issued the Report.

"Appraiser(s)" means the employee(s) of C&W who prepared and signed the Report.

The Report has been made subject to the following assumptions and limiting conditions:

- No opinion is intended to be expressed and no responsibility is assumed for the legal description or for any matters that are legal in nature or require legal expertise or specialized knowledge beyond that of a real estate appraiser. Title to the Property is assumed to be good and marketable and the Property is assumed to be free and clear of all liens unless otherwise stated. No survey of the Property was undertaken.
- The information contained in the Report or upon which the Report is based has been gathered from sources the Appraiser assumes to be reliable and accurate. The owner of the Property may have provided some of such information. Neither the Appraiser nor C&W shall be responsible for the accuracy or completeness of such information, including the correctness of estimates, opinions, dimensions, sketches, exhibits and factual matters. Any authorized user of the Report is obligated to bring to the attention of C&W any inaccuracies or errors that it believes are contained in the Report.
- The opinions are only as of the date stated in the Report. Changes since that date in external and market factors or in the Property itself can significantly affect the conclusions in the Report.
- The Report is to be used in whole and not in part. No part of the Report shall be used in conjunction with any other analyses. Publication of the Report or any portion thereof without the prior written consent of C&W is prohibited. Reference to the Appraisal Institute or to the MAI designation is prohibited. Except as may be otherwise stated in the letter of engagement, the Report may not be used by any person(s) other than the party(ies) to whom it is addressed or for purposes other than that for which it was prepared. No part of the Report shall be conveyed to the public through advertising, or used in any sales, promotion, offering or SEC material without C&W's prior written consent. Any authorized user(s) of this Report who provides a copy to, or permits reliance thereon by, any person or entity not authorized by C&W in writing to use or rely thereon, hereby agrees to indemnify and hold C&W, its affiliates and their respective shareholders, directors, officers and employees, harmless from and against all damages, expenses, claims and costs, including attorneys' fees, incurred in investigating and defending any claim arising from or in any way connected to the use of, or reliance upon, the Report by any such unauthorized person(s) or entity(ies).
- Except as may be otherwise stated in the letter of engagement, the Appraiser shall not be required to give testimony in any court or administrative proceeding relating to the Property or the Appraisal.
- The Report assumes (a) responsible ownership and competent management of the Property; (b) there are no hidden or unapparent conditions of the Property, subsoil or structures that render the Property more or less valuable (no responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them); (c) full compliance with all applicable federal, state and local zoning and environmental regulations and laws, unless noncompliance is stated, defined and considered in the Report; and (d) all required licenses, certificates of occupancy and other governmental consents have been or can be obtained and renewed for any use on which the value opinion contained in the Report is based.
- The physical condition of the improvements considered by the Report is based on visual inspection by the Appraiser or other person identified in the Report. C&W assumes no responsibility for the soundness of structural components or for the condition of mechanical equipment, plumbing or electrical components.
- The forecasted potential gross income referred to in the Report may be based on lease summaries provided by the owner or third parties. The Report assumes no responsibility for the authenticity or completeness of lease information provided by others. C&W recommends that legal advice be obtained regarding the interpretation of lease provisions and the contractual rights of parties.
- The forecasts of income and expenses are not predictions of the future. Rather, they are the Appraiser's best opinions of current market thinking on future income and expenses. The Appraiser and C&W make no warranty or representation that these forecasts will materialize. The real estate market is constantly fluctuating and changing. It is not the Appraiser's task to predict or in any way warrant the conditions of a future real estate market; the Appraiser can only reflect what the investment community, as of the date of the Report, envisages for the future in terms of rental rates, expenses, and supply and demand.

- Unless otherwise stated in the Report, the existence of potentially hazardous or toxic materials that may have been used in the construction or maintenance of the improvements or may be located at or about the Property was not considered in arriving at the opinion of value. These materials (such as formaldehyde foam insulation, asbestos insulation and other potentially hazardous materials) may adversely affect the value of the Property. The Appraisers are not qualified to detect such substances. C&W recommends that an environmental expert be employed to determine the impact of these matters on the opinion of value.
- Unless otherwise stated in the Report, compliance with the requirements of the Americans with Disabilities Act of 1990 (ADA) has not been considered in arriving at the opinion of value. Failure to comply with the requirements of the ADA may adversely affect the value of the Property. C&W recommends that an expert in this field be employed to determine the compliance of the Property with the requirements of the ADA and the impact of these matters on the opinion of value.
- If the Report is submitted to a lender or investor with the prior approval of C&W, such party should consider this Report as only one factor, together with its independent investment considerations and underwriting criteria, in its overall investment decision. Such lender or investor is specifically cautioned to understand all Extraordinary Assumptions and Hypothetical Conditions and the Assumptions and Limiting Conditions incorporated in this Report.
- In the event of a claim against C&W or its affiliates or their respective officers or employees or the Appraisers in connection with or in any way relating to this Report or this engagement, the maximum damages recoverable shall be the amount of the monies actually collected by C&W or its affiliates for this Report and under no circumstances shall any claim for consequential damages be made.
- If the Report is referred to or included in any offering material or prospectus, the Report shall be deemed referred to or included for informational purposes only and C&W, its employees and the Appraiser have no liability to such recipients. C&W disclaims any and all liability to any party other than the party that retained C&W to prepare the Report.
- Any estimate of insurable value, if included within the agreed upon scope of work and presented within this report, is based upon figures derived from a national cost estimating service and is developed consistent with industry practices. However, actual local and regional construction costs may vary significantly from our estimate and individual insurance policies and underwriters have varied specifications, exclusions, and non-insurable items. As such, we strongly recommend that the Client obtain estimates from professionals experienced in establishing insurance coverage for replacing any structure. This analysis should not be relied upon to determine insurance coverage. Furthermore, we make no warranties regarding the accuracy of this estimate.
- By use of this Report each party that uses this Report agrees to be bound by all of the Assumptions and Limiting Conditions, Hypothetical Conditions and Extraordinary Assumptions stated herein.

CERTIFICATION OF APPRAISAL

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- Douglas H. Larson, MAI, and Naoum M. Papagianopoulos, MAI did make a personal inspection of the property that is the subject of this report. Robert S. Nardella, MAI, MRICS did not make a personal inspection of the property that is the subject of this report.
- We have performed prior services involving the subject property within the three-year period immediately preceding the acceptance of the assignment.
- The services include(s) a previous appraisal, one time within the prior three-year period immediately preceding the acceptance of the assignment.
- The following individuals provided significant real property assistance in preparing this appraisal: Michael J. Malinowski II, MAI, and Kurt Clauss.
- As of the date of this report, Robert S. Nardella, MAI, MRICS, Douglas H. Larson, MAI, Naoum M. Papagianopoulos, MAI, and Michael J. Malinowski II, MAI, have completed the continuing education program for Designated Members of the Appraisal Institute.

- Our analyses, opinions, or conclusions were developed and this report has been prepared in conformity with the requirements of the State of New York for State-certified appraisers.

Douglas H. Larson
Executive Director
New York Certified General Appraiser
License No. 46000039300
douglas.larson@cushwake.com
(212) 841-5051 Office Direct
(212) 479-1838 Fax

Naoum M. Papagianopoulos, MAI
Senior Director
New York Certified General Appraiser
License No. 46000048506
michael.papagianopoulos@cushwake.com
(212) 841-7694 Office Direct
(212) 479-1887 Fax

Robert S. Nardella, MAI, MRICS
Executive Managing Director - Area Leader
New York Certified General Appraiser
License No. 46000004620
robert.nardella@cushwake.com
(212) 841-5048 Office Direct
(212) 479-1878 Fax

GLOSSARY OF TERMS & DEFINITIONS

The following definitions of pertinent terms are taken from *The Dictionary of Real Estate Appraisal*, Fifth Edition (2010), published by the Appraisal Institute, as well as other sources.

AS IS MARKET VALUE

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. (Proposed Interagency Appraisal and Evaluation Guidelines, OCC-4810-33-P 20%)

CASH EQUIVALENCY

An analytical process in which the sale price of a transaction with nonmarket financing or financing with unusual conditions or incentives is converted into a price expressed in terms of cash.

EXPOSURE TIME

1. The time a property remains on the market. 2. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market. See also marketing time.

EXTRAORDINARY ASSUMPTION

An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions.

Comment: Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis..

HYPOTHETICAL CONDITIONS

A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

INSURABLE VALUE

A type of value for insurance purposes.

INTENDED USE

The use or uses of an appraiser's reported appraisal, appraisal review, or appraisal consulting assignment opinions and conclusions, as identified by the appraiser based on communication with the client at the time of the assignment.

INTENDED USER

The client and any other party as identified, by name or type, as users of the appraisal, appraisal review, or appraisal consulting report by the appraiser on the basis of communication with the client at the time of the assignment.

LEASED FEE INTEREST

A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e., a lease).

MARKET RENT

The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the lease agreement, including permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs).

MARKET VALUE

As defined in the Agencies' appraisal regulations, the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus.

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

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

e) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.[1]

MARKETING TIME

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, “Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions” address the determination of reasonable exposure and marketing time.) See also exposure time.

PROSPECTIVE OPINION OF VALUE

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.

PROSPECTIVE VALUE UPON REACHING STABILIZED OCCUPANCY

The value of a property as of a point in time when all improvements have been physically constructed and the property has been leased to its optimum level of long-term occupancy. At such point, all capital outlays for tenant improvements, leasing commissions, marketing costs and other carrying charges are assumed to have been incurred.

SPECIAL, UNUSUAL, OR EXTRAORDINARY ASSUMPTIONS

Before completing the acquisition of a property, a prudent purchaser in the market typically exercises due diligence by making customary enquiries about the property. It is normal for a Valuer to make assumptions as to the most likely outcome of this due diligence process and to rely on actual information regarding such matters as provided by the client. Special, unusual, or extraordinary assumptions may be any additional assumptions relating to matters covered in the due diligence process, or may relate to other issues, such as the identity of the purchaser, the physical state of the property, the presence of environmental pollutants (e.g., ground water contamination), or the ability to redevelop the property.

[1] “Interagency Appraisal and Evaluation Guidelines.” Federal Register 75:237 (December 10, 2010) p. 77472.

ADDENDA CONTENTS

ADDENDUM A: ENGAGEMENT LETTER
ADDENDUM B: INSURABLE VALUE
ADDENDUM C: COMPARABLE IMPROVED SALES
ADDENDUM D: APPRAISER'S CERTIFICATIONS & QUALIFICATIONS

ADDENDUM A: ENGAGEMENT LETTER

George J. Rago, MAI
Executive Managing Director

CUSHMAN & WAKEFIELD®

Cushman & Wakefield, Inc.
1290 Avenue of the Americas, 9th Floor
New York, NY 10104
212-841-7851 Tel
george.rago@cushwake.com

April 29, 2015

Mr. Michael Scarola
Managing Director

Ladder Capital Finance LLC
345 Park Avenue, 8th Floor
New York, NY 10154

**Re: 40 Wall Street
New York, NY**

Dear Mike:

Thank you for requesting our proposal for appraisal services. This proposal letter (together with the Terms and Conditions attached hereto and made a part hereof, the "Proposal") will become, upon your acceptance, our letter of engagement to provide the services outlined herein.

TERMS OF ENGAGEMENT

I. PROBLEM IDENTIFICATION

The Parties To This Agreement: The undersigned Cushman & Wakefield affiliated company and/or its designated affiliate or subsidiary ("C&W") and Ladder Capital Finance LLC (herein at times referred to as "Client").

Intended Users: C&W acknowledges that the services performed hereunder are in connection with a loan to be made by Client in reliance on the report produced hereunder, which loan shall be secured by a mortgage on the referenced property. Other than the entities mentioned below, the Client agrees that there are no other Intended Users. The appraisal may not be distributed or relied upon by any other persons or entities, unless mentioned in the reliance language below:

This report has been prepared to assist in the determination of whether to make a loan or loans evidenced by a note or notes (the "Notes") secured by the property referred to in the report or by a pledge of the equity interests in the borrower by providing a value for the property as of the effective date(s) of value. With no prior approval, this report may be relied upon by (i) Ladder Capital Finance LLC, its employees, agents, servicers, legal counsel, co-lenders, loan syndication participants, successors and/or assigns and affiliates, (ii) the trustee of a trust created in connection with a securitization which includes any of the Notes or an interest therein, (iii) any purchaser or assignee of the Notes or an interest therein in determining whether to acquire the Notes or an interest therein, (iv) any rating agency involved in rating securities

	which represent a beneficial ownership interest in a trust fund that consists of mortgage loans or mezzanine loans including any of the Notes or an interest therein, (v) any investors purchasing securities issued by a trust or otherwise purchasing a loan with an ownership interest, either directly or indirectly, in the Notes, and (vi) any bank, financial institution or other company or firm providing any financing for which the Notes, or any interest therein, are the collateral for such financing, and their respective successors and/or assigns. This report may be used in connection with the offering materials for sale of the Notes, or an interest in the Notes, and in presentations to any rating agency, investors or lenders and Cushman & Wakefield, Inc. agrees to cooperate in answering questions by any of the above parties in connection with a securitization, sale or other transaction involving the Notes, or any portion thereof, and/or such securities.
Intended Use:	For the purpose of evaluating potential financing.
Type of Opinion and Rights Appraised:	**Market Value of the Leased Fee Interest "As Is" and Prospective Value Upon Stabilized Occupancy, if applicable**
Date Of Value:	Date of Inspection (As Is) Projected Date of Stabilized Occupancy, if applicable
Subject of the Assignment and Relevant Characteristics:	The property is a 70 story office building built in 1930 containing approximately 1 million SF.
Assignment Conditions:	We will incorporate any Extraordinary Assumptions or Hypothetical Conditions that are appropriate.

II. ANTICIPATED SCOPE OF WORK

USPAP Compliance:	C&W will develop the appraisal in accordance with FIRREA, USPAP, the Code of Ethics and Certification Standards of the Appraisal Institute, and applicable Supplemental Standards.
General Scope of Work:	Inspect the Property to the extent necessary to adequately identify the real estate. Research relevant market data, in terms of quantity, quality, and geographic comparability, to the extent necessary to produce credible appraisal results. Consider and develop those approaches relevant and applicable to the appraisal problem. We anticipate developing the following valuation approaches. • Income Capitalization Approach • Sales Comparison Approach **We will include an estimate of Insurable Value and Land Value.**

III. REPORTING AND DISCLOSURE

Scope of Work Disclosure: The anticipated or actual Scope of Work will be stated within the report.

Reporting Option: The report will be communicated in an Appraisal Report as defined by USPAP 2014 (same as 2013 USPAP Self Contained report format).

Appraisal Report - Former Self Contained Style Report

- Describes the real estate and/or personal property that is the subject of the appraisal, including physical, economic, and other characteristics that are relevant
- States the type and definition of value and its source
- Describes the Scope of Work used to develop the appraisal
- Describes the information analyzed, the appraisal methods used, and the reasoning supporting the analyses and opinions; explains the exclusion of any valuation approaches
- States the use of the property as of the valuation date
- Describes the rationale for the Highest and Best Use opinion (if included)

IV. FEE, EXPENSES AND OTHER TERMS OF ENGAGEMENT

Fee: **$25,000**

All invoices are due upon receipt. The client shall be solely responsible for C&W's fees. Acknowledgement of this obligation is made by the countersignature to this Proposal by an authorized representative.

Additional Expenses: Fee quoted is inclusive of expenses related to the preparation of the report.

Retainer: A retainer is not required for this assignment in order to commence work.

Report Copies: The final report will be delivered electronically. Up to three (3) hard copies will be provided.

Start Date: The appraisal process will initiate upon receipt of signed agreement and the receipt of the property specific data.

Acceptance Date: This Proposal is subject to withdrawal if the engagement letter is not executed within four (4) business days.

Delivery: **3 weeks from receipt of signed engagement letter.**

Changes to Agreement: The identity of the Client, Intended Users or Intended Use; the Date of Value; Type of Value or Interest Appraised; or Property appraised cannot be changed without a new agreement.

Prior Services Disclosure: The engaging or principal appraiser has not provided services regarding the subject property within the prior three years.

Conflicts of Interest: C&W adheres to a strict internal conflict of interest policy. If we discover in the preparation of our appraisal a conflict with this assignment we reserve the right to withdraw from the assignment without penalty.

Further Conditions of Engagement The Conditions of Engagement attached hereto are incorporated herein and are part of this letter of engagement.

Thank you for calling on us to render these services and we look forward to working with you.

Sincerely,
CUSHMAN & WAKEFIELD, INC.

G J Rago

George J. Rago, MAI
Executive Managing Director

AGREED:
CLIENT: LADDER CAPITAL FINANCE LLC

By: ______________________ Date: ____________

~~Michael Scarola~~ DAVID TRAITEL

Title: Managing Director

E-mail Address/Phone No.: michael.scarola@laddercapital.com

212-715-3179

Information Needed to Complete the Assignment

We understand that you or your borrower will provide all the information needed to complete this assignment.

CONDITIONS OF ENGAGEMENT

1) The Client and any Intended Users should consider the appraisal as only one factor together with its independent investment considerations and underwriting criteria in its overall investment decision. The appraisal cannot be used by any party or for any purpose other than as specified in this engagement letter.

2) Federal banking regulations require banks and savings and loan associations to employ appraisers where a FIRREA compliant appraisal must be used in connection with mortgage loans or other transactions involving federally regulated lending institutions, including mortgage bankers/brokers. Because of that requirement, this appraisal, if ordered independent of a financial institution or agent, may not be accepted by a federally regulated financial institution. This appraisal will be prepared in accordance with the Uniform Standards of Professional Appraisal Practice of The Appraisal Foundation, the Standards of Professional Practice and the Code of Ethics of the Appraisal Institute.

3) The appraisal report will be subject to C&W's standard Assumptions and Limiting Conditions, which will be incorporated into the appraisal. All users of the appraisal report are specifically cautioned to understand any Extraordinary Assumptions and Hypothetical Conditions which may be employed by C&W and incorporated into the appraisal.

4) In the event the Client provides a copy of this appraisal to, or permits reliance thereon by, any person or entity not an Intended User at the time of the assignment and authorized by C&W in writing to use or rely thereon, Client will indemnify and hold C&W, its affiliates and the respective shareholders, directors, officers and employees, harmless from and against all damages, expenses, claims and costs, including attorney's fees, incurred in investigating and defending any claim arising from or in any way connected to the use of, or reliance upon, the appraisal by any such unauthorized person or entity.

5) The balance of the fee for the appraisal will be due upon delivery of the final report or in 30 days of the draft submission, whichever is sooner. Payment of the fee is not contingent on the appraised value, outcome of the consultation report, a loan closing, or any other prearranged condition. C&W will continue to work with Client to address any questions or comments within the draft report, make any reasonably requested revisions, and produce a final report at the request of the Client. In the event Client requests additional services beyond the purpose stated in the Agreement, Client agrees to pay an additional charge for such services, plus reimbursement of expenses. It is understood that the Client has the right to cancel this assignment at any time prior to delivery of the completed report. In such event, the Client is obligated only for the pro-rated share of the fee based upon the work completed and expenses incurred.

6) If C&W or any of its affiliates or any of their respective employees receives a subpoena or other judicial command to produce documents or to provide testimony involving this assignment in connection with a lawsuit or proceeding, C&W will use reasonable efforts to notify the Client of our receipt of same. However, if C&W or any of its affiliates are not a party to these proceedings, Client agrees to compensate C&W or its affiliate for the professional time and reimburse C&W or its affiliate for the actual expense that it incurs in responding to any such subpoena or judicial command, including attorneys' fees, if any, as they are incurred. C&W or its affiliate will be compensated at the then prevailing hourly rates of the personnel responding to the subpoena or command for testimony.

7) By signing this agreement Client expressly agrees that its sole and exclusive remedy for any and all losses or damages brought against C&W by the Client or any Intended User relating to this agreement or the appraisal shall limited to ten times the fees collected under the terms of this assignment. Under no circumstances shall any claim for consequential damages be made.

8) It is acknowledged that any opinions and conclusions expressed by the professionals of C&W or its affiliates during this assignment are representations made as employees and not as individuals. C&W's or its affiliate's responsibility is limited to the Client and all the parties cited in the Intended Users section of this letter (Pages 1and 2). C&W is not liable to any other parties.

9) The fees and expenses shall be due C&W as agreed in this letter. If it becomes necessary to place collection of the fees and expenses due C&W in the hands of a collection agent and/or an attorney (whether or not a legal action is filed) Client agrees to pay all fees and expenses including attorney's fees incurred by C&W in connection with the collection or attempted collection thereof.

10) At its sole cost and expense, C&W shall obtain and maintain insurance (including worker's compensation and employer's liability insurance, general liability insurance, auto insurance and professional liability insurance), at all times during the term of this agreement, in such amounts, covering such risks and liabilities, as are in accordance with normal industry practice, provided, however, that the minimum limits shall be at least $2,000,000 for each insurance policy. Except for the professional liability insurance, the carrier for which is not rated, all insurance policies shall be written by an insurer rated not less than "A X" or better by AM Best & Company, unless otherwise agreed to in writing by Client. Except for the professional liability insurance, the insurance policies shall name Client and its successors and/or assigns, as their interests may appear, as an additional insured and shall be non-cancelable. Prior to cancellation of an insurance policy, C&W shall arrange for issuance of a replacement policy. Certificates evidencing all of said insurance shall be delivered to Client, if requested by Client in writing.

11) If the appraisal is referred to or included in any offering material or prospectus, the appraisal shall be deemed referred to or included for informational purposes only and C&W and its employees have no liability to such recipients, unless they are Intended Users. C&W disclaims any and all liability to any party other than the party which retained C&W to prepare the appraisal and the Intended Users.

12) With respect to data provided by Client, C&W shall not violate the confidential nature of the appraiser-client relationship by improperly disclosing any confidential information furnished to C&W. All information obtained from the Client during the course of this engagement shall be kept strictly confidential and not disclosed to any third parties other than an Intended User without the prior written consent of Client. All initial and final reports shall be labeled: PRIVILEGED AND CONFIDENTIAL. For purposes of these Terms and Conditions, the confidentiality obligations hereunder shall not apply to information that : (a) is or becomes publicly available other than through the violation of this confidentiality agreement by C&W; (b) is lawfully obtained by C&W from a third party that, to C&W's actual knowledge, was not under an obligation of confidence; (c) is in C&W's possession prior to its disclosure by Client; (d) is developed by C&W independently of Client's disclosure; or (e) is approved for release in writing by Client. Notwithstanding the foregoing, the appraisal and/or work product or report and that portion of the information relied upon in forming the valuation opinion or the work product or report is required to be retained in an appraiser's file by the Appraisal Institute's Standards of Professional Appraisal Practice and the Uniform Standards of Professional Appraisal Practice of The Appraisal Standards Board of The Appraisal Foundation. It is understood and agreed that such appraisal, work product and information is subject to possible disclosure to a duly authorized professional peer review committee of the Appraisal Institute, or to a state enforcement or regulatory agency, pursuant to a professional audit or investigation.

13) No modification of this Proposal shall be binding upon the parties hereto, unless the same is in writing and signed by both parties. The Proposal shall be governed by the laws of New York and shall not be recorded by C&W. Any recordation or attempted recordation of

TERMS AND CONDITIONS

this Proposal by C&W shall be void and constitute an event of default. Nothing in this Proposal shall be deemed to grant to C&W a stake or real property interest in the same. Interpretation of this Proposal and the resolution of any dispute arising hereunder shall be resolved in accordance with the laws of the State of New York and the parties hereby consent to conduct any proceeding instituted by Client or C&W in the City of New York and submit to the jurisdiction of the State of New York for all purposes relating to this Proposal.

ADDENDUM B: INSURABLE VALUE

At the Client's request, we have provided an insurable value estimate. The estimate is based on figures derived from the Marshall and Swift (M&S) Commercial Cost Explorer and is developed consistent with industry practices. However, actual local and regional construction costs may vary significantly from our estimate and individual insurance policies and underwriters have varied specifications, exclusions, and non-insurable items. As such, we strongly recommend that the Client obtain estimates from professionals experienced in establishing insurance coverage for replacing any structure. This analysis should not be relied upon to determine insurance coverage. Furthermore, we make no warranties regarding the accuracy of this estimate.

Insurable Value is directly related to the portion of the real estate that is covered under the asset's insurance policy. We have based this opinion on the building's Replacement Cost New (RCN) which has no direct correlation with its actual market value.

We developed an opinion of RCN using the Calculator Method developed by Marshall & Swift tempered by our experience with similar property types in the City.

The RCN is the total construction cost of a new building with the same specifications and utility as the building being appraised, but built using modern technology, materials, standards and design. For insurance purposes, RCN includes all direct costs necessary to construct the building improvements. Items that are not considered include land value, site improvements, indirect costs, depreciation and entrepreneurial profit. To develop an opinion of insurable value, exclusions for below-grade foundations and architectural fees must be deducted from RCN.

Our estimate of insurable value is based upon figures derived from a national cost estimating service and is developed consistent with industry practices. However, actual local and regional construction costs may vary significantly from our estimate and individual insurance policies and underwriters have varied specifications, exclusions, and non-insurable items. **As such, we strongly recommend that the Client obtains estimates from professionals experienced in establishing insurance coverage for replacing any structure. This analysis should not be relied upon to determine insurance coverage. Furthermore, we make no warranties regarding the accuracy of this estimate.**

Please refer to the following chart for opinion of insurable value, which includes exclusions for below-grade foundations and architectural fees deducted from replacement cost new.

INSURABLE VALUE

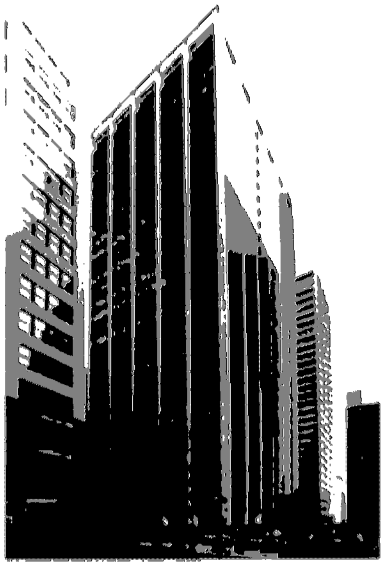
BASIC ASSUMPTIONS & REPLACEMENT COST PARAMETERS				
Insurable Value Type:	**Insurable Value As Is**			
Replacement Cost New Source:	Marshall Valuation Service			
Improvement Type:	Office	**Section:**	15	
Improvement Class:	A	**Page:**	17	
Improvement Quality:	Excellent	**Date:**	Nov-13	

REPLACEMENT COST ANALYSIS				
Replacement Cost New (RCN)	**GBA (SF)**	**$/GBA**	**Sub-Total**	
Building Improvements				
Base Cost	1,061,266	$256.40	$272,108,602	
HVAC		$16.35	$17,351,699	
Sprinklers		$2.45	$2,600,102	
Subtotal		$275.20	$292,060,403	
Multipliers				
Current Cost		1.040		
Local Area		1.440		
Perimeter		1.000		
Building Height		1.267		
Congestion/Complex		1.200		
Product of Multipliers			x 2.277	
Adjusted Replacement Cost New (RCN)			$665,007,239	$626.62
INSURABLE VALUE SUMMARY				
Less: Insurance Exclusions				
Foundations Below Grade		-5.00%		
Piping Below Grade (Negligible)		0.00%		
Architect Fees		-5.00%		
Total Insurance Exclusion Adjustment		-10.00%	($66,500,724)	
Insurable Value (Subject Property)			$598,506,515	$563.96
Rounded			**$600,000,000**	$565.36

Compiled by Cushman & Wakefield, Inc.

ADDENDUM C:
COMPARABLE IMPROVED SALES

IMPROVED SALE COMPARABLE - 1



100 Wall Street
New York City NY 10005
MSA: New York
New York (Manhattan) County

Property Type:	Office
Property Subtype:	N/A
ID:	315242
APN:	N/A

PROPERTY INFORMATION

Site Area (Acres):	0.51	Number of Buildings:	1
Site Area (SqFt):	22,399	Number of Stories:	29
Gross Bldg Area:	517,031	Class:	A
Net Bldg Area:	517,031	Number of Parking Spaces:	N/A
Year Built:	1969	Parking Ratio:	N/A
Last Renovation:	2014	Tenancy Type:	N/A
Quality:	N/A		
Condition:	N/A		

SALE INFORMATION

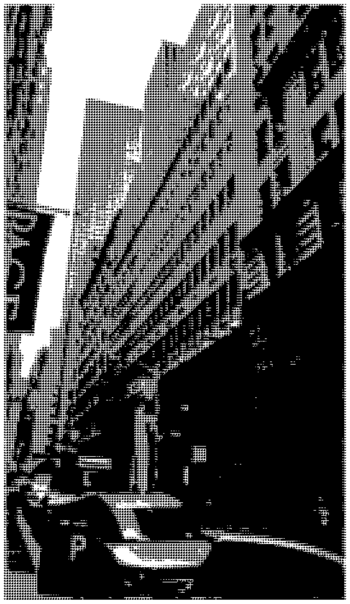
Sale Status:	In-Contract	OAR:	3.04%
Transaction Date:	6/2015	NOI:	$8,208,000
Sale Price:	$270,000,000	NOI per SqFt:	$15.88
Price per SqFt:	$522.21	Occupancy:	95.00%
Value Interest:	N/A	Expense Ratio:	N/A
Grantor:	Savanna Partners	EGIM:	N/A
Grantee:	Cornerstone Real Estate Advisors	Buying Entity:	N/A
Condition of Sale:	N/A		

VERIFICATION COMMENTS

N/A

COMMENTS

Sale of a Class A office building on the corner of Wall Street and Water Street that is leased to 50 tenants. The three largest tenants include Harris Beach PLLC, Lester Schwab and US Bank National Association. The average office contract is $38.46 per square, approximately 20 percent below market. An approximate $24.7 million in capital improvements have been spent in the past four years; which included common areas, HVAC, building systems, and the relocation of the electrical switchgear to the 2nd floor. Savanna Partners acquired 100 Wall Street by foreclosing on a mortgage note of $117,399,060 from Lehman Brothers Holdings, Inc. in May 2011. In addition at the time, Savanna acquired the junior debt positions to the first mortgage.



123 William Street
New York City NY 10038
MSA: N/A

Property Type:	Office
Property Subtype:	N/A
ID:	306393
APN:	N/A

PROPERTY INFORMATION

Site Area (Acres):	0.49	Number of Buildings:	1
Site Area (SqFt):	21,242	Number of Stories:	27
Gross Bldg Area:	545,301	Class:	N/A
Net Bldg Area:	545,301	Number of Parking Spaces:	N/A
Year Built:	1957	Parking Ratio:	N/A
Last Renovation:	2015	Tenancy Type:	N/A
Quality:	N/A		
Condition:	N/A		

SALE INFORMATION

Sale Status:	In-Contract	OAR:	2.68%
Transaction Date:	3/2015	NOI:	$6,780,400
Sale Price:	$253,000,000	NOI per SqFt:	$12.43
Price per SqFt:	$463.96	Occupancy:	98.00%
Value Interest:	N/A	Expense Ratio:	N/A
Grantor:	Green Oak & East End Capital	EGIM:	N/A
Grantee:	American Realty Capital	Buying Entity:	N/A
Condition of Sale:	N/A		

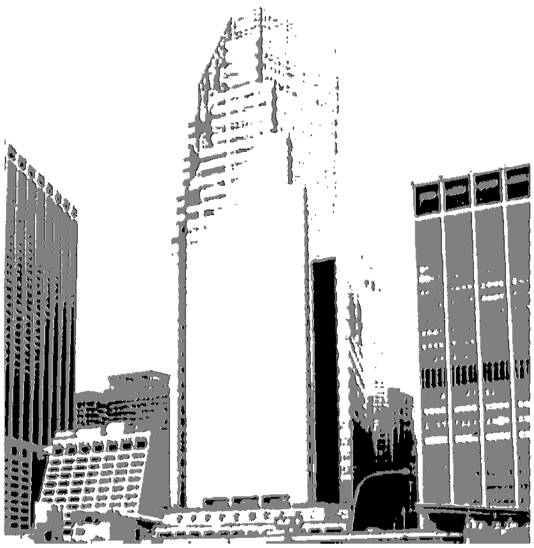
VERIFICATION COMMENTS

N/A

COMMENTS

Sale of a Class A minus office building located between John and Fulton Streets. Tenants include the New York State Department of State, the City of New York, the U.S. Social Security Administration, the Securities Training Corporation and law firm McAloon & Friedman. The property was previously purchased by GreenOak & East End Capital from Chetrit Group in October 2013 for $133 million, at which time the building was half occupied. The property is currently 98 percent leased.

IMPROVED SALE COMPARABLE - 3



32 Old Slip
Financial Square
New York City NY 10005
MSA: N/A

Property Type:	Office
Property Subtype:	N/A
ID:	306392
APN:	N/A

PROPERTY INFORMATION

Site Area (Acres):	0.97	Number of Buildings:	1
Site Area (SqFt):	42,176	Number of Stories:	36
Gross Bldg Area:	1,159,086	Class:	N/A
Net Bldg Area:	1,159,086	Number of Parking Spaces:	N/A
Year Built:	1987	Parking Ratio:	N/A
Last Renovation:	N/A	Tenancy Type:	N/A
Quality:	N/A		
Condition:	N/A		

SALE INFORMATION

Sale Status:	In-Contract	OAR:	4.00%
Transaction Date:	12/2014	NOI:	$27,000,000
Sale Price:	$675,000,000	NOI per SqFt:	$23.29
Price per SqFt:	$582.36	Occupancy:	N/A
Value Interest:	N/A	Expense Ratio:	N/A
Grantor:	Beacon Capital Partners	EGIM:	N/A
Grantee:	RXR Realty	Buying Entity:	N/A
Condition of Sale:	N/A		

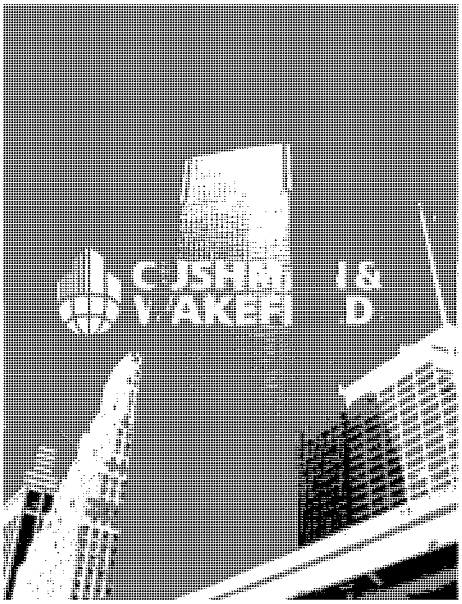
VERIFICATION COMMENTS

N/A

COMMENTS

Sale of Class A building located on an entire city block bound by Old Slip, South Street, Gouverneur Lane and Front Street in the Financial East District of Downtown Manhattan. RXR Realty purchased the property from Beacon Capital Partners for $675 million. Following the sale, RXR Realty created a 99 year ground lease which they sold to Leon Melohn for a purchase price of 207.5 million. The ground rent is $8.5 million through 2023, increasing to $9,572,381 with subsequent 2.0 percent annual increases. RXR Realty will retain the leasehold estate. The buyer intends to renovate and reposition the property.

IMPROVED SALE COMPARABLE - 4



Office Building
180 Maiden Lane
B/w Front and South Streets
New York NY 10005
MSA: New York
New York (Manhattan) County
New York, Downtown - Financial East

Property Type:	Office
Property Subtype:	Office Building - High Rise
ID:	309089
APN:	N/A

PROPERTY INFORMATION

Site Area (Acres):	1.07	Number of Buildings:	1
Site Area (SqFt):	46,799	Number of Stories:	41
Gross Bldg Area:	1,089,578	Class:	A
Net Bldg Area:	1,189,325	Number of Parking Spaces:	N/A
Year Built:	1984	Parking Ratio:	N/A
Last Renovation:	N/A	Tenancy Type:	Multi-Tenant
Quality:	Excellent		
Condition:	Excellent		

SALE INFORMATION

Sale Status:	Recorded Sale	OAR:	N/A
Transaction Date:	1/2015	NOI:	N/A
Sale Price:	$470,000,000	NOI per SqFt:	N/A
Price per SqFt:	$395.18	Occupancy:	N/A
Value Interest:	Leased Fee	Expense Ratio:	N/A
Grantor:	The Moinian Group and SL Green Realty	EGIM:	N/A
Grantee:	Murray Hill Properties (MHP)	Buying Entity:	N/A
Condition of Sale:	None		

VERIFICATION COMMENTS

cw research

COMMENTS

The property comprises a 41-story, plus lower level, Class A office building containing 1,189,325 square feet of net rentable area on a 46,799 square foot parcel of land. At the time of sale the property was 21.2 percent occupied. The majority of the vacant space was formerly occupied by AIG which recently vacated the property. At the time of sale the property was undergoing a $33.0 million capital improvement to reconfigure and enhance the lobby and interior public space, upgrade the elevators and building mechanical systems.

77 Water Street
77 Water Street
B/w Gouverneur Lane and Old Slip
New York NY 10005
MSA: New York
New York (Manhattan) County
New York, Downtown - Financial East

Property Type:	Office
Property Subtype:	N/A
ID:	291728
APN:	N/A

PROPERTY INFORMATION

Site Area (Acres):	0.59	Number of Buildings:	1
Site Area (SqFt):	25,779	Number of Stories:	26
Gross Bldg Area:	633,308	Class:	A
Net Bldg Area:	633,308	Number of Parking Spaces:	N/A
Year Built:	1969	Parking Ratio:	N/A
Last Renovation:	2009	Tenancy Type:	N/A
Quality:	N/A		
Condition:	N/A		

SALE INFORMATION

Sale Status:	In-Contract	OAR:	7.68%
Transaction Date:	8/2014	NOI:	$18,804,555
Sale Price:	$245,000,000	NOI per SqFt:	$29.69
Price per SqFt:	$386.86	Occupancy:	100.00%
Value Interest:	Leasehold	Expense Ratio:	N/A
Grantor:	Travelers Companies	EGIM:	N/A
Grantee:	Principal Real Estate Investors	Buying Entity:	N/A
Condition of Sale:	N/A		

VERIFICATION COMMENTS

CW Research

COMMENTS

Sale of Class A building located in the Financial East submaket. The property is fully leased to The Goldman Sachs Group, Inc. under a triple-net lease agreement that expires in March 2021 with a surrender option for the 14 through 26 floors in March 2018. Goldman Sachs Group, Inc. never took occupancy of the property since the lease commencement in January 2000. In 2009, the tenant renovated the property and commenced a subleasing program of the space to third parties. Over 80 percent of the property is currently subleased to third parties such as AT&T, ARUP, Lewis Brisbois and United Health among others. The property was developed by the Kaufmann Organization. The property is subject to a long term ground lease that is owned and controlled by the principals of The William Kaufman Organization with minimal ground rental payments.

IMPROVED SALE COMPARABLE 6

80 Broad Street
80 Broad Street
Between Stone and Beaver Streets
New York NY 10022
MSA: New York
New York (Manhattan) County

Property Type:	Office
Property Subtype:	N/A
ID:	287002
APN:	Block; 11; Lot; 21

PROPERTY INFORMATION

Site Area (Acres):	0.30	Number of Buildings:	1
Site Area (SqFt):	13,135	Number of Stories:	36
Gross Bldg Area:	N/A	Class:	B
Net Bldg Area:	411,944	Number of Parking Spaces:	N/A
Year Built:	1935	Parking Ratio:	N/A
Last Renovation:	2007	Tenancy Type:	Multi-Tenant
Quality:	Average		
Condition:	Average		

SALE INFORMATION

Sale Status:	Recorded Sale	OAR:	3.74%
Transaction Date:	8/2014	NOI:	$6,545,000
Sale Price:	$175,000,000	NOI per SqFt:	$15.89
Price per SqFt:	$424.82	Occupancy:	87.00%
Value Interest:	N/A	Expense Ratio:	N/A
Grantor:	Savanna	EGIM:	N/A
Grantee:	Broad Street Development	Buying Entity:	N/A
Condition of Sale:	N/A		

VERIFICATION COMMENTS

acris

COMMENTS

Sale of a Class B office building located on Broad Street between Stone and Beaver Streets. The property is located in the Financial East office submarket of Downtown Manhattan. Savanna acquired the property in 2011 from Swig Equities after taking control of the property's senior mortgage. Subsequently, Savanna completed a comprehensive renovation which included a lobby renovation, façade, modernized elevators and upgrades to the common areas. In addition, Savanna also invested capital to complete work following Superstorm Sandy, to protect the building from similar future weather events.

IMPROVED SALE COMPARABLE - 7

222 Broadway
New York NY 10038
MSA: New York
New York (Manhattan) County
New York, Downtown - Insurance

Property Type:	Office
Property Subtype:	Mixed Use - Office/Retail
ID:	291729
APN:	Block; 89 ; Lot; 12

PROPERTY INFORMATION

Site Area (Acres):	0.77	Number of Buildings:	1
Site Area (SqFt):	33,340	Number of Stories:	31
Gross Bldg Area:	756,138	Class:	A
Net Bldg Area:	756,138	Number of Parking Spaces:	N/A
Year Built:	1961	Parking Ratio:	N/A
Last Renovation:	2013	Tenancy Type:	N/A
Quality:	Good		
Condition:	Good		

SALE INFORMATION

Sale Status:	Recorded Sale	OAR:	4.17%
Transaction Date:	8/2014	NOI:	$20,834,258
Sale Price:	$500,000,000	NOI per SqFt:	$27.55
Price per SqFt:	$661.26	Occupancy:	97.00%
Value Interest:	Leased Fee	Expense Ratio:	N/A
Grantor:	Beacon Capital JV L&L Holding	EGIM:	N/A
Grantee:	Deutsche Asset & Wealth Management	Buying Entity:	N/A
Condition of Sale:	N/A		

VERIFICATION COMMENTS

CW Research

COMMENTS

Sale of a Classe A office building in Downtown Manhattan. Beacon sold its equity stake and L&L will stay on as partner and continue to operate the building. Bank of America occupies 78% of the building with their current lease expiring in 2022. In 2013, BOA exercised an option to vacate 91,000 SF. BOA's rents are significantly below market as they sold the building to Beacon and L&L in 2012. The building is near full occupancy with WeWork recently signing a lease for 120,000 SF for 16 years and Conde Nast leasing 83,000 SF until 2029.

IMPROVED SALE COMPARABLE 8

61 Broadway
Northwest corner of Exchange Alley
New York NY 10006
MSA: New York
New York (Manhattan) County

Property Type:	Office
Property Subtype:	Office Building - High Rise
ID:	277096
APN:	N/A

PROPERTY INFORMATION

Site Area (Acres):	0.49	Number of Buildings:	1
Site Area (SqFt):	21,209	Number of Stories:	33
Gross Bldg Area:	650,740	Class:	A
Net Bldg Area:	786,975	Number of Parking Spaces:	N/A
Year Built:	1916	Parking Ratio:	N/A
Last Renovation:	1986	Tenancy Type:	N/A
Quality:	N/A		
Condition:	Average		

SALE INFORMATION

Sale Status:	In-Contract	OAR:	4.46%
Transaction Date:	5/2014	NOI:	$14,718,000
Sale Price:	$330,000,000	NOI per SqFt:	$18.70
Price per SqFt:	$419.33	Occupancy:	97.00%
Value Interest:	N/A	Expense Ratio:	N/A
Grantor:	Broad Street Development	EGIM:	N/A
Grantee:	RXR Realty	Buying Entity:	N/A
Condition of Sale:	N/A		

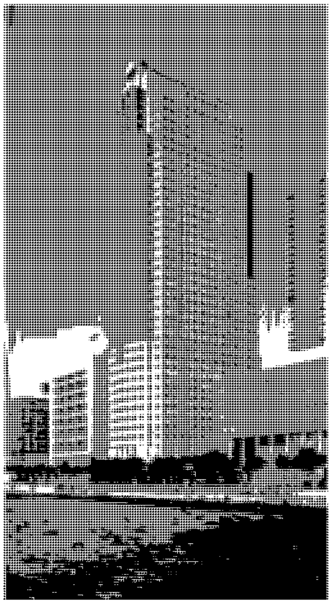
VERIFICATION COMMENTS

C&W research

COMMENTS

Sale of a Class B office building located on Broadway between Exchange Alley and Rector Street. The building is 96.58 percent leased. The buyer intends to renovate at a cost of $20 million over the next several years and increase rents. The buyer intends to attract creative and tech firms. The largest tenants include The People of New York (36,696 square feet) and Professional Staff Insurance (31,536 square feet). Trinity Place Department Store occupies the retail space on the ground floor, basement and mezzanine.

IMPROVED SALE COMPARABLE - 9



388-390 Greenwich Street
B/w North Moore & Hubert Streets
New York NY 10013
MSA: New York
New York (Manhattan) County
New York, Downtown - City Hall

Property Type:	Office
Property Subtype:	N/A
ID:	291736
APN:	N/A

PROPERTY INFORMATION

Site Area (Acres):	3.96	Number of Buildings:	2
Site Area (SqFt):	172,327	Number of Stories:	39/8
Gross Bldg Area:	2,634,670	Class:	N/A
Net Bldg Area:	2,634,670	Number of Parking Spaces:	N/A
Year Built:	1986	Parking Ratio:	N/A
Last Renovation:	1989	Tenancy Type:	N/A
Quality:	N/A		
Condition:	N/A		

SALE INFORMATION

Sale Status:	Recorded Sale	OAR:	6.90%
Transaction Date:	3/2014	NOI:	$109,392,601
Sale Price:	$1,585,000,000	NOI per SqFt:	$41.52
Price per SqFt:	$601.59	Occupancy:	100.00%
Value Interest:	Leasehold	Expense Ratio:	N/A
Grantor:	Ivanhoe Cambridge	EGIM:	N/A
Grantee:	SL Green Realty	Buying Entity:	N/A
Condition of Sale:	N/A		

VERIFICATION COMMENTS

CW Research

COMMENTS

SL Green bought JV partner Ivanhoe Cambridge's interest. In December 2013, Citi renewed its triple-net lease of the 2.6M SF through 2035 and will make the complex its global HQ. It has the option to buy the properties between December 2017 to December 2020. Its acquisition from Ivanhoe Cambridge values the properties at $1.585B, nearly the same as when the companies bought them from Citigroup in December 2007 ($1.575B). However, the terms of Citi's purchase option aren't known. 388 Greenwich is a 39-story tower with highly efficient floors and sweeping, unobstructed views. 390 Greenwich is an eight-story building featuring 94,000 square foot floors that are considered some of the finest trading floors in Manhattan.

110 William Street
New York NY
MSA: N/A

Property Type:	Office
Property Subtype:	N/A
ID:	279976
APN:	N/A

PROPERTY INFORMATION

Site Area (Acres):	0.79	Number of Buildings:	1
Site Area (SqFt):	34,591	Number of Stories:	32
Gross Bldg Area:	788,241	Class:	A
Net Bldg Area:	928,157	Number of Parking Spaces:	N/A
Year Built:	1959	Parking Ratio:	N/A
Last Renovation:	N/A	Tenancy Type:	N/A
Quality:	N/A		
Condition:	N/A		

SALE INFORMATION

Sale Status:	In-Contract	OAR:	4.97%
Transaction Date:	5/2014	NOI:	$12,976,670
Sale Price:	$261,100,000	NOI per SqFt:	$13.98
Price per SqFt:	$281.31	Occupancy:	97.00%
Value Interest:	N/A	Expense Ratio:	N/A
Grantor:	Swig Equities & Longwing Ventures	EGIM:	N/A
Grantee:	Savanna Partners	Buying Entity:	N/A
Condition of Sale:	N/A		

VERIFICATION COMMENTS

Savanna

COMMENTS

Sale of a Class A office building located on the northeast corner of William and John Streets. The floor plates range from 5,300 to 40,000 square feet. Ownership has spent approximately $18.6 million in building and tenant improvements since 2005. The two cellar floors total 13,185 square feet, with 20,765 square feet of space on the ground floor and another 894,207 square feet of office space above. New York Economic Development Corporation, the building's anchor tenant, has a private entrance off John Street with escalators leading to its second floor space.

160 Water Street
New York NY
MSA: N/A

Property Type:	Office
Property Subtype:	Mixed Use - Office/Retail
ID:	277095
APN:	Block 70 Lot 43

PROPERTY INFORMATION

Site Area (Acres):	0.55	Number of Buildings:	1
Site Area (SqFt):	24,092	Number of Stories:	24
Gross Bldg Area:	487,523	Class:	A
Net Bldg Area:	487,523	Number of Parking Spaces:	N/A
Year Built:	1970	Parking Ratio:	N/A
Last Renovation:	1987	Tenancy Type:	Multi-Tenant
Quality:	Good		
Condition:	Good		

SALE INFORMATION

Sale Status:	Recorded Sale	OAR:	4.28%
Transaction Date:	3/2014	NOI:	$7,062,000
Sale Price:	$165,000,000	NOI per SqFt:	$14.49
Price per SqFt:	$338.45	Occupancy:	96.00%
Value Interest:	Leased Fee	Expense Ratio:	N/A
Grantor:	Oestreicher Realty	EGIM:	N/A
Grantee:	Emmes Asset Management	Buying Entity:	Investor
Condition of Sale:	N/A		

VERIFICATION COMMENTS

Emmes Asset Management

COMMENTS

Sale of a Class A office building located on the north side of Fletcher Street between Water Street and Pearl Street in the Insurance office submarket of Downtown Manhattan. The property is leased to four office tenants. The three largest office tenants in the building include NYC Health & Hospital (310,841 square feet); Beth Israel Medical Center (107,500 square feet); and Seneca Insurance Company (43,000 square feet). The smallest office tenant is Oestreicher Management (5,259 square feet) which is the owner's management office. The rollover years occur in 2023 and 2025. In 2023, the lease expires with New York City Health and Hospitals Corporation; and in 2025, the lease expires with Beth Israel Medical Center.

55 Broadway
55 Broadway
New York (Downtown) NY 10006
MSA: New York
New York (Manhattan) County

Property Type:	Office
Property Subtype:	Office Building - High Rise
ID:	273782
APN:	Block 20 Lot 16

PROPERTY INFORMATION

Site Area (Acres):	0.36	Number of Buildings:	1
Site Area (SqFt):	15,722	Number of Stories:	32
Gross Bldg Area:	309,381	Class:	A
Net Bldg Area:	358,637	Number of Parking Spaces:	N/A
Year Built:	1981	Parking Ratio:	N/A
Last Renovation:	1987	Tenancy Type:	Multi-Tenant
Quality:	Good		
Condition:	Good		

SALE INFORMATION

Sale Status:	Recorded Sale	OAR:	4.87%
Transaction Date:	2/2014	NOI:	$7,645,900
Sale Price:	$157,000,000	NOI per SqFt:	$21.32
Price per SqFt:	$437.77	Occupancy:	89.00%
Value Interest:	N/A	Expense Ratio:	N/A
Grantor:	Broad Street Development	EGIM:	N/A
Grantee:	Harbor Group International, LLC	Buying Entity:	N/A
Condition of Sale:	N/A		

VERIFICATION COMMENTS

N/A

COMMENTS

Sale of a Class A office building known as One Exchange Plaza located on Broadway located one block west of the New York Stock Exchange and four blocks south of the new World Trade Center. The office space is leased 38 office tenants. Approximately 49 percent of the subject's net rentable area expires through 2018. The lobby has been fully renovated along with the elevator cabs and mechanicals. The property previously sold in May 2006 to Broad Street Development from Bank of Communications for a purchase price of $82 million.

ADDENDUM D: APPRAISER'S CERTIFICATIONS & QUALIFICATIONS

PROFESSIONAL QUALIFICATIONS

Naoum M. Papagianopoulos, MAI
Senior Director
Valuation & Advisory

Background
Naoum M. Papagianopoulos is an appraiser and real estate analyst with the Valuation & Advisory Group of Cushman & Wakefield, Inc. He joined Cushman & Wakefield's Valuation & Advisory Group in March of 2005. Prior to joining the Valuation & Advisory Group, Mr. Papagianopoulos was Cushman & Wakefield's financial analyst for budgeting and planning.

Experience
Appraisal assignments have included office buildings, retail properties, hospital and medical office space, mixed-use properties, industrial properties, residential condominium and apartment properties, air rights, vacant land, portfolios, feasibility studies, and market studies. Primary concentration is centered on existing and proposed office and retail use properties in New York City.

Appraisal Experience – New York City Office Buildings
Extensive experience in the analysis and valuation of New York City office buildings and mixed-use properties and institutional office buildings. The primary market area of concentration is Manhattan where over 300 office buildings were appraised within the last five years. Notable office building assignments include the following:

- World Trade Center
- World Financial Center
- General Motors Building
- 745 Seventh Avenue (Barclays)
- Empire State Building
- 9 West 57th Street
- Rockefeller Center
- Chrysler Center
- Worldwide Plaza
- 667 Madison Avenue
- 60 Wall Street
- MetLife Building

Special Purpose Property Experience
Diversified experience in the preparation of appraisals and market studies of, as well as consultation for, industry specific real estate including hospitals and medical centers:

- New York Presbyterian Hospital
- Hospital for Special Surgery
- Manhattan Eye, Ear and Throat Hospital
- St. Luke's Hospital

Education
Baruch College, New York, NY
Zicklin School of Business
Masters of Business Administration, June 1999
Major in Finance

American College of Thessalonica
Bachelor of Arts, June 1996
Major in Business Administration

CUSHMAN & WAKEFIELD

Appraisal Education

Successfully completed all New York State required appraisal courses and satisfied all educational requirements as set forth by the Appraisal Institute.

Memberships, Licenses, and Professional Affiliations

- Designated Member, Appraisal Institute (MAI designation achieved 2012)
- State of New York Certified General Real Estate Appraiser, License #46000048506

UNIQUE ID NUMBER
46000048506

State of New York
Department of State
DIVISION OF LICENSING SERVICES

Control No.

PURSUANT TO THE PROVISIONS OF ARTICLE 6E OF THE
EXECUTIVE LAW AS IT RELATES TO R.E. APPRAISERS.

EFFECTIVE DATE

MO.	DAY	YR.
11	05	13

EXPIRATION DATE

MO.	DAY	YR.
11	04	15

PAPAGIANOPOULOS NAOUM M
C/O CUSHMAN & WAKEFIELD
1290 AVENUE OF THE AMERICAS
9TH FL
NEW YORK, NY 10104-6178

HAS BEEN DULY CERTIFIED TO TRANSACT BUSINESS AS A
R.E. GENERAL APPRAISER

In Witness Whereof, The Department of State has caused its official seal to be hereunto affixed.

CESAR A. PERALES
SECRETARY OF STATE

DOS-1098 (Rev. 3/01)

PROFESSIONAL QUALIFICATIONS

Robert S. Nardella, MAI, MRICS

Senior Managing Director
Valuation & Advisory

Background

Robert S. Nardella is a Senior Managing Director of Cushman & Wakefield, Inc., working within the Valuation & Advisory Group. Mr. Nardella joined Cushman & Wakefield, Inc. in February 1987 while still attending college. He graduated from Pace University's Lubin School of Business, Class of 1987, with a Bachelor of Business Administration in Finance, and earned a Masters in Real Estate from New York University in 1997.

In March of 1993, Mr. Nardella was named Associate Director of Cushman & Wakefield, Inc. He was further promoted to Director in December 1994 and to Senior Director in September 2006. Mr. Nardella has received the Excellence in Quality Service Award for the Valuation Advisory division in the New York region, and was named Quality Control Manager for the New York region in 2004. Other appointments include National Account Manager of several key Cushman & Wakefield relationships, as well as service on the Career Development Committee. In January 2007, Mr. Nardella was appointed Operations Manager of the New York office within Valuation & Advisory, and was named Managing Director in June 2008. In January 2010, Mr. Nardella was named Senior Managing Director and Regional Manager for New York and New Jersey V&A operations.

Real Estate Experience

Since joining Cushman & Wakefield, Inc., Mr. Nardella has performed appraisal, feasibility and consulting assignments involving vacant land, developable air rights, office buildings, proposed and existing regional malls, shopping centers, industrial and residential complexes, condominiums, and investment properties throughout 25 states.

Education

Pace University - Bachelor of Science, Finance – June 1987
New York University – Masters in Real Estate – January 1997

Appraisal Education

Mr. Nardella has successfully completed all courses and requirements to qualify for the MAI designation, and has currently completed the requirements under the continuing education program of the Appraisal Institute.

Memberships, Licenses and Professional Affiliations

- Designated Member, Appraisal Institute (MAI designation achieved 1997)
- Member, Royal Institution of Chartered Surveyors (MRICS)
- State of New York Certified General Real Estate Appraiser, License No. 46000004620
- State of New Jersey Certified General Real Estate Appraiser, License No. 42RG00230800

CUSHMAN & WAKEFIELD®

UNIQUE ID NUMBER
46000004620

State of New York
Department of State
DIVISION OF LICENSING SERVICES

Control No. 80308

PURSUANT TO THE PROVISIONS OF ARTICLE 6E OF THE EXECUTIVE LAW AS IT RELATES TO R.E. APPRAISERS

EFFECTIVE DATE

MO.	DAY	YR.
12	08	14

EXPIRATION DATE

MO.	DAY	YR.
12	07	16

NARDELLA ROBERT S
C/O CUSHMAN & WAKEFIELD INC
1290 AVENUE OF THE AMERICAS
9TH FL
NEW YORK, NY 10104

HAS BEEN DULY CERTIFIED TO TRANSACT BUSINESS AS A R.E. GENERAL APPRAISER

In Witness Whereof, The Department of State has caused its official seal to be hereunto affixed.

CESAR A. PERALES
SECRETARY OF STATE

DOS-1098 (Rev. 3/01)

Professional Qualifications

Douglas H. Larson
Executive Director
Valuation & Advisory

Mr. Larson is actively involved in appraising various property types including office, industrial, and retail developments. Assignments include appraisal and advising services to institutional lenders and financiers, investment banking firms, brokerage, domestic/international investors and pension/insurance funds. Mr. Larson's experience also involves financial modeling and property valuation, loan review and due diligence of diverse assets. Appraisal and consulting assignments have been completed for mortgage loan purposes, arbitrations, allocations, estates, and assisting in the decision-making process in the acquisition, disposition and marketing of real estate.

Experience
Mr. Larson is an Executive Director with the New York Valuation & Advisory group of Cushman & Wakefield, Inc., an international, full-service real estate organization. He has wide experience on a variety of property types, including Class A office buildings, apartment buildings, shopping centers, regional malls, motels and hotels, manufacturing plants, warehouses and mixed-use projects from 1993 to present.

Arthur Andersen & Co., Phoenix, Arizona, preparing real property appraisals and portfolio analysis used in marketing, leasing and sale of complex assets for bulk sale, internal and annual loan review, acquisition and disposition. Performed marketability and feasibility studies, market analysis, and consulting on real estate within the western United States (1992 to 1993).

Bank One of Arizona, Phoenix, Arizona, preparing and reviewing real property appraisals for compliance of OCC standards and FIRREA guidelines (1990 to 1992).

Appraisal Experience – New York City Office Buildings
Extensive experience in the analysis and valuation of New York City office buildings and mixed-use properties and institutional office buildings. The primary market area of concentration is Manhattan, where over 300 office buildings were appraised within the last five years. Notable office building assignments include the following:

- World Trade Center
- World Financial Center
- General Motors Building
- 745 Seventh Avenue (Barclays)
- Empire State Building
- 9 West 57th Street
- Rockefeller Center
- Chrysler Center
- Worldwide Plaza
- AOL/Time Warner
- Bloomberg Headquarters
- Citigroup Center

Special Purpose Property Experience
Diversified experience in the preparation of appraisals and market studies of, as well as consultation for, industry specific real estate including hospitals and medical centers:

- New York Presbyterian Hospital
- Hospital for Special Surgery
- Manhattan Eye, Ear and Throat Hospital
- St. Luke's Hospital

CUSHMAN & WAKEFIELD®

Consulting and Arbitration Experience
Varied commercial real estate experience in New York City for the past 20 years. Notable recent assignments included:

Consultant to the Port Authority of New York and New Jersey in selecting their alternatives for disposition of the World Trade Center, a seven-building, office and retail complex in lower Manhattan.

Conducted all aspects of financial analysis of commercial real estate, including benefits and costs of property ownership, as well as asset and property management reorganization; accomplished privatization over a five-year period, resulting in the sale of the leasehold interest in the World Trade Center, at the time the largest office complex in the world.

Education
Arizona State University, Tempe, Arizona
Bachelor of Science
Double Majors in Economics & Sociology

Appraisal Education
Successfully completed all New York State required appraisal courses and satisfied all educational requirements as set forth by the Appraisal Institute.

Memberships, Licenses and Professional Affiliations
- Candidate for Designation, Appraisal Institute – Metropolitan New York Chapter
- State of New York Certified General Real Estate Appraiser, License No. # 46000039300

UNIQUE ID NUMBER
46000039300
DUPLICATE LICENSE

State of New York
Department of State
DIVISION OF LICENSING SERVICES

FOR OFFICE USE ONLY
Control No. 08990

PURSUANT TO THE PROVISIONS OF ARTICLE 6E OF THE EXECUTIVE LAW AS IT RELATES TO R.E. APPRAISERS

EFFECTIVE DATE		
MO	DAY	YR
06	05	2014

EXPIRATION DATE		
MO	DAY	YR
06	04	2016

LARSON DOUGLAS H
CUSHMAN & WAKEFIELD INC
1290 AVENUE OF THE AMERICAS
9TH FL
NEW YORK NY 10104-6178

HAS BEEN DULY CERTIFIED TO TRANSACT BUSINESS AS A R.E. GENERAL APPRAISER

In Witness Whereof, The Department of State has caused its official seal to be hereunto affixed.

SECRETARY OF STATE
CESAR A. PERALES

DOS-1095 (Re. 3/01)

Faherty Affirmation

Exhibit # 22

A SELF CONTAINED APPRAISAL OF:

23 Residential Condo Units,
2 Commercial Condo Units and
Six Storage Condo Units
Trump Park Avenue
502-504 Park Avenue
New York, New York 10022

AS OF: April 6, 2010

Prepared For:

Mr. Victor Salem
Investor Savings Bank, N.A.
Commercial Real Estate
60 East 42nd Street, Suite 4540
New York, NY 10017

Prepared By:

Anastasia Friedman
And
Frank Trupia, MAI

The Oxford Group

Appraisal & Consultation Inc.
424 W 33rd Street, Suite 630
New York, New York 10001

Oxford File # 10-367

The Oxford Group
APPRAISAL AND CONSULTATION

2740 Route 10 West, Ste. 204
Morris Plains, New Jersey 07950
Telephone: 973-970-9333
Fax: 973-970-9334

2052 Route 35, Ste. 104
Wall Township, New Jersey 07719
Telephone: 732-807-3113
Fax: 732-807-3116

424 West 33rd St., Ste. 630
New York, New York 10001
Telephone: 212-268-1113
Fax: 212-268-5592

April 26, 2010

Mr. Victor Salem
Investors Savings Bank
Commercial Department
60 East 42nd Street, Suite 4540
New York, NY 10017

Re: 502-504 Park Avenue
New York, New York 10022
Oxford File # 10-367

Dear Mr. Salem:

As requested, we have inspected and appraised the above referenced property for the purpose of formulating our opinion of market value.

The subject property is located in Trump Park Avenue on the northwest corner of 59th Street and Park Avenue in the Borough of Manhattan, City of New York, New York County, New York. The listed ownership of the parcel at the NYC Department of Finance is Trump Park Avenue, LLC.

It consists of 23 residential condo units, 2 commercial condo units and 6 storage condo units. The subject units are identified on New York City Tax Maps as follows:

SUBJECT DESCRIPTION

Unit #	Unit SF	Unit Type	Block	Lot
		Residential Units		
3B	4,614	8-4-6.5	1374	1131
4A	1,149	3-1-1	1374	1132
6B	1,638	5-2-2.5	1374	1145
6C	743	3-1-1	1374	1146
7A	717	3-1-1	1374	1153
7B	1,641	5-2-2.5	1374	included in 1153
7D	1,546	3-1-1	1374	1155
7E	795	3-1-1	1374	1156
7G	1,542	5-2-2	1374	1158
8E	1,017	3-1-1	1374	1165
8H	679	3-1-1	1374	1168
10E	810	3-1-1	1374	1183
12E	817	3-1-1	1374	1202
12J	693	3-1-1	1374	1206
15AB	2,408	5-2-2	1374	1218
19AB	3,211	7-3-3.5	1374	1247
PH20	7,132	13-7-8	1374	1251
PH21	7,132	13-7-8	1374	1252
PH23	6,224	11-5-6.5	1374	1254
PH24	6,192	11-5-6.5	1374	1255
PH27	4,164	7.5-4-5.5	1374	1258
PH28	4,164	7.5-4-5.5	1374	1259
PH31	6,299	7-5-6	1374	1262
TOTAL	65,327			
		Commercial Units		
CAPITAL ONE	3,800	Commercial	1374	1164
NYSC	15,435	Commercial	1374	1128
TOTAL	19,235			
		Storage Units		
ST10	33	Storage	1374	1110
ST12	33	Storage	1374	1112
ST13	33	Storage	1374	1113
ST15	58	Storage	1374	1115
ST20	49	Storage	1374	1120
ST25	45	Storage	1374	1125
TOTAL	**84,813**			

Please note that the square footage amounts are based on a rent roll dated 4/5/10 provided by the subject owner.

It is our conclusion that the ***Market Value*** of the Leased Fee Estate of the subject property, "As Is", as of April 6, 2010, is:

SEVENTY TWO MILLION FIVE HUNDRED THOUSAND DOLLARS

$72,500,000

It is our conclusion that the ***Sum of the Gross Sellout*** of the subject property, "As Is", as of April 6, 2010, is:

ONE HUNDRED SIXTY FOUR MILLION DOLLARS

$164,000,000

The nation and the northeast region are in the midst of an economic recession. Valuing real estate presents unique challenges in predicting future market trends with support from historic as well as current events and indicators. The future impact of this economic crisis on the commercial real estate market cannot be fully measured to date. The depth and length of the recession is unknown at this time. The user of appraisal services should be cognizant of the date of value in volatile market times and the use of the appraisal results may not be prudent well beyond the date of valuation.

Furthermore, we certify that we have not performed any real estate related services pertaining to this property over the last three years.

The total land area of the site is ±0.32 acres or ±14,059 square feet. The site has 140' of frontage along 59th Street and 100.42' along Park Avenue. The property is currently 92% occupied by 21 residential tenants and two commercial tenants.

The appraisal will not take into consideration the possibility that the property may be contaminated with asbestos, PCB's, or any other toxic, hazardous or radioactive substance. The value reported will be exclusive of the cost to discover, encapsulate, remove, or render harmless such improvements due to treatment. If you have any concern that such substances may be on the property, you should hire a qualified independent engineer or contractor to investigate the property. We cannot assume any responsibility for the discovery, analysis, or treatment of such substances either on the subject or surrounding properties.

This report is subject to the Limiting Conditions, Certification and Special Assumptions contained herein. It has been made in conformity with, and is subject to, the Requirements of the Code of Professional Ethics and the Standards of Professional

Conduct of the Appraisal Institute. It is also understood that this report is prepared in compliance with FIRREA, USPAP, FDIC, OCC, and 12CFR.34 regulations.

The following report is a detailed summary of the pertinent data and analyses used in arriving at our conclusions.

Respectively submitted,

Anastasia Friedman
NYS License# 46000047779

Frank Trupia, MAI
NYS License# 46000044546
Reviewed without inspection

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Letter of Transmittal

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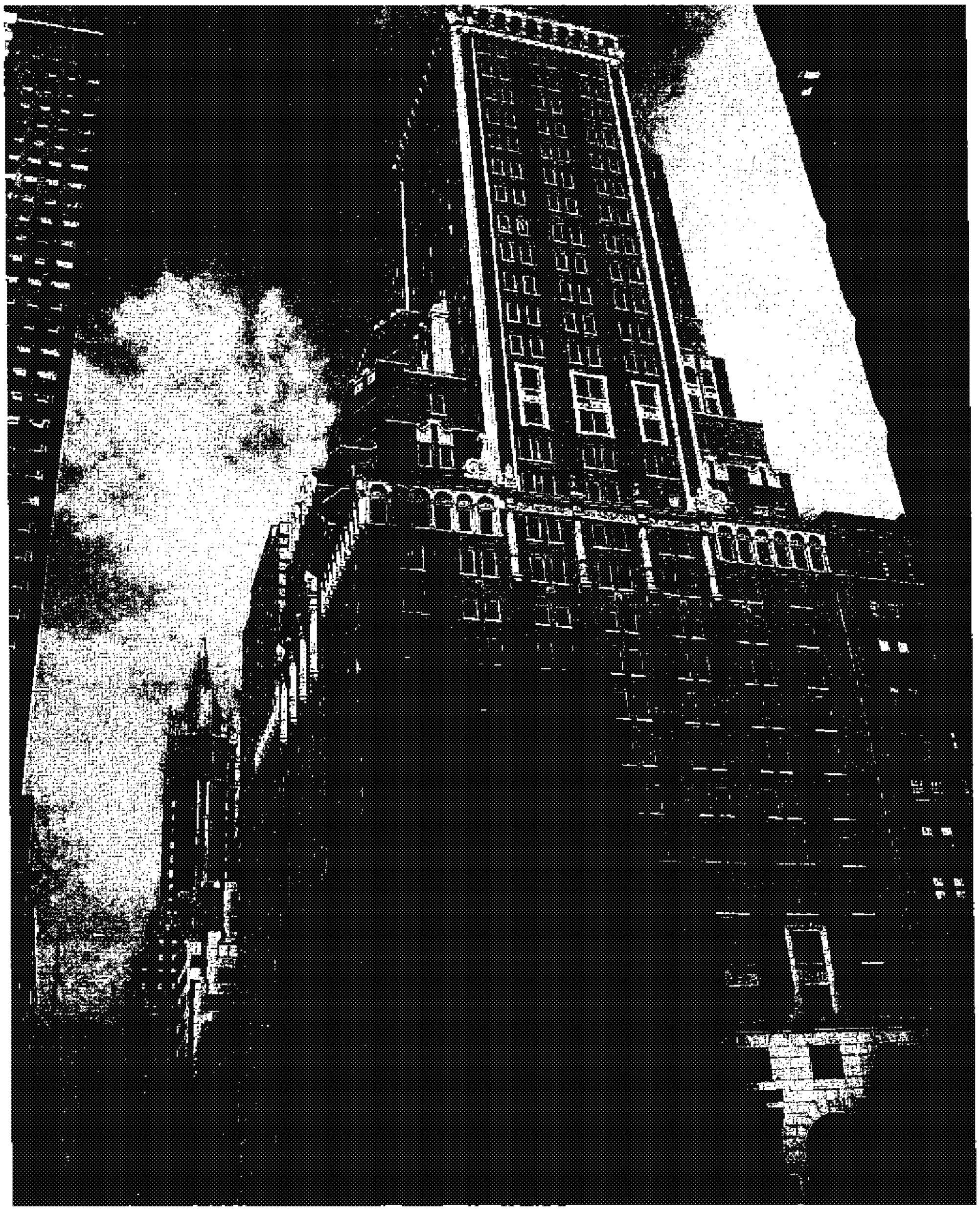
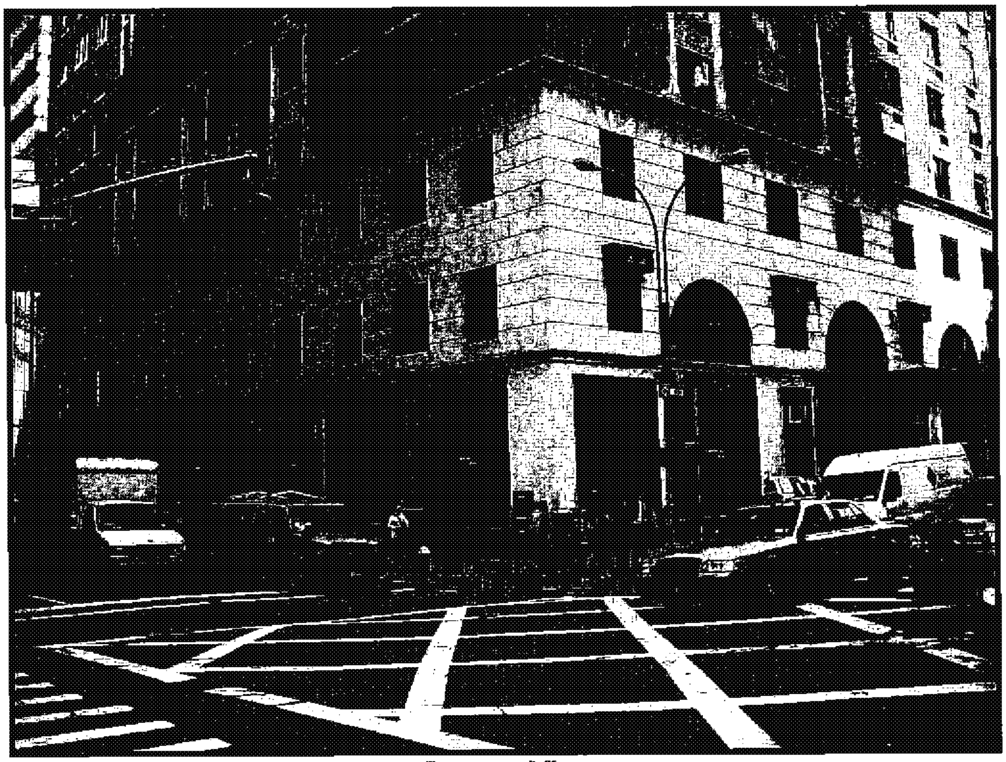
Addenda



SUBJECT PHOTOGRAPH

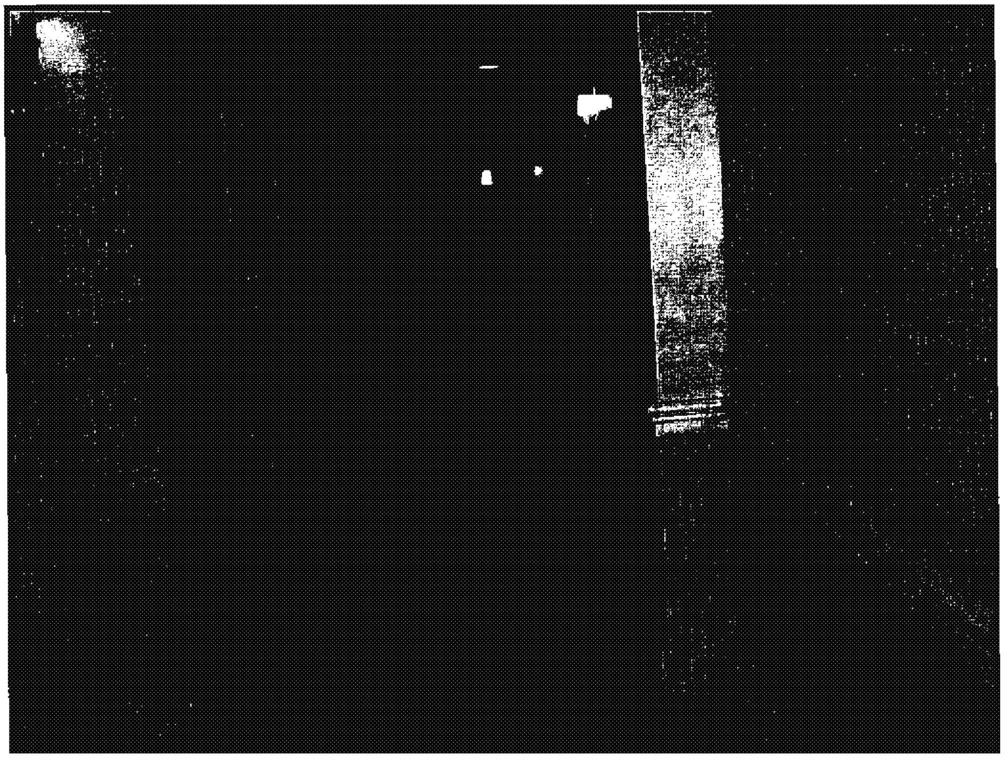
Street Scene East along 59th Street

Street Scene West along 59th Street



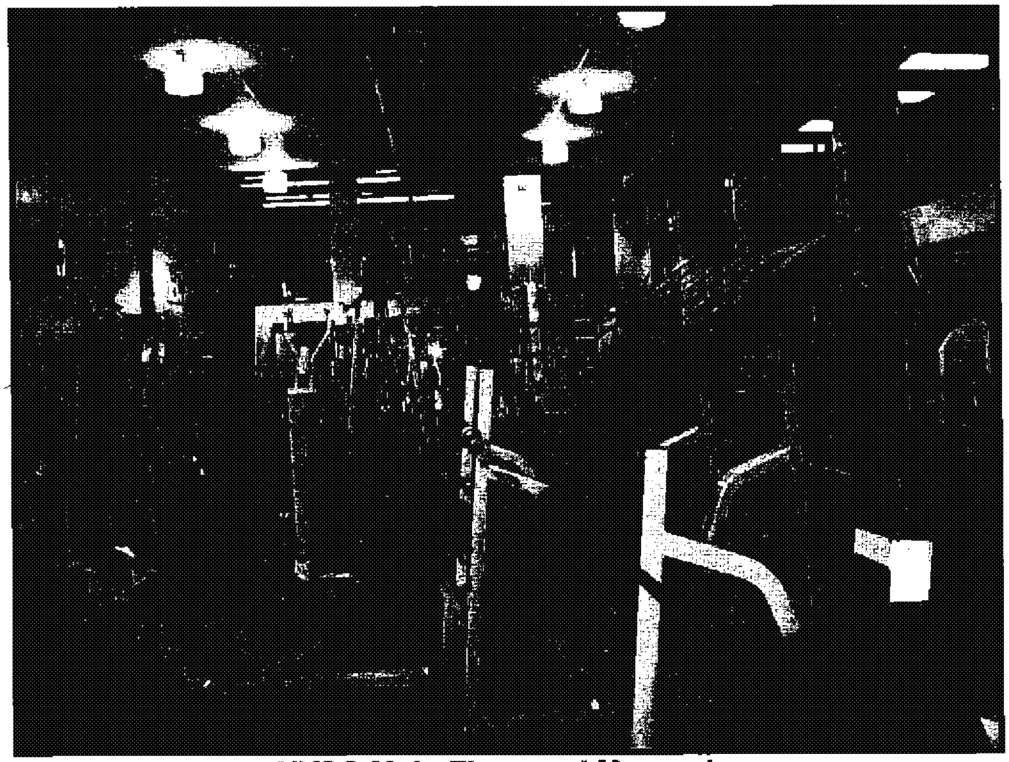
Corner View

Front Entrance

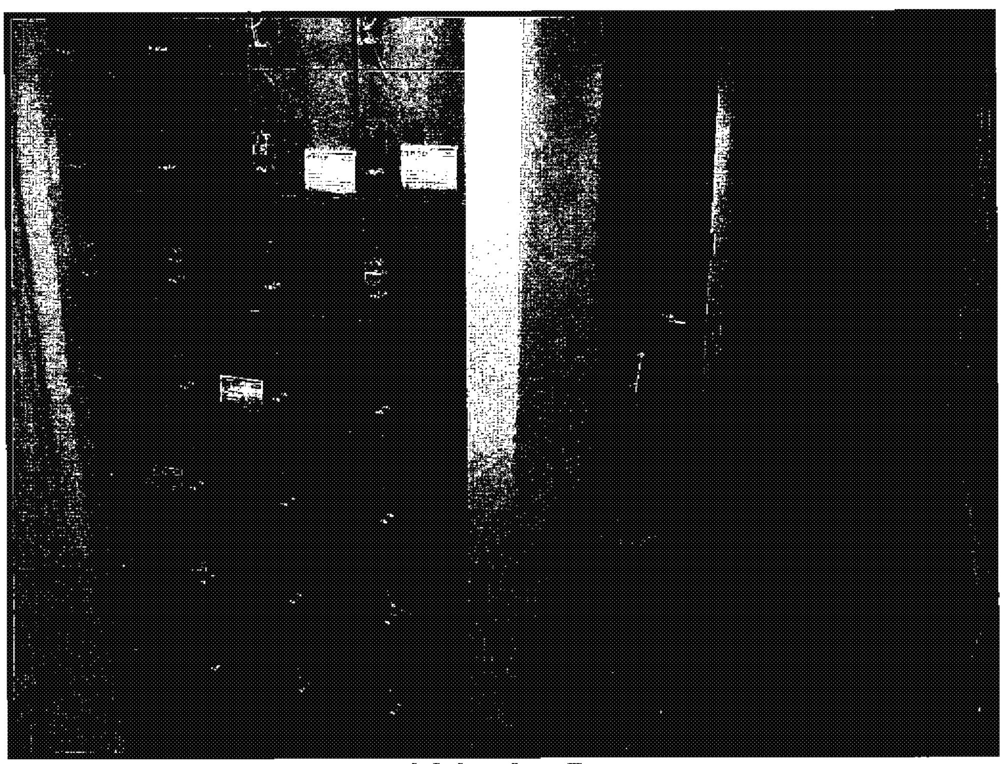


Typical Hallway

NYSC Reception Area

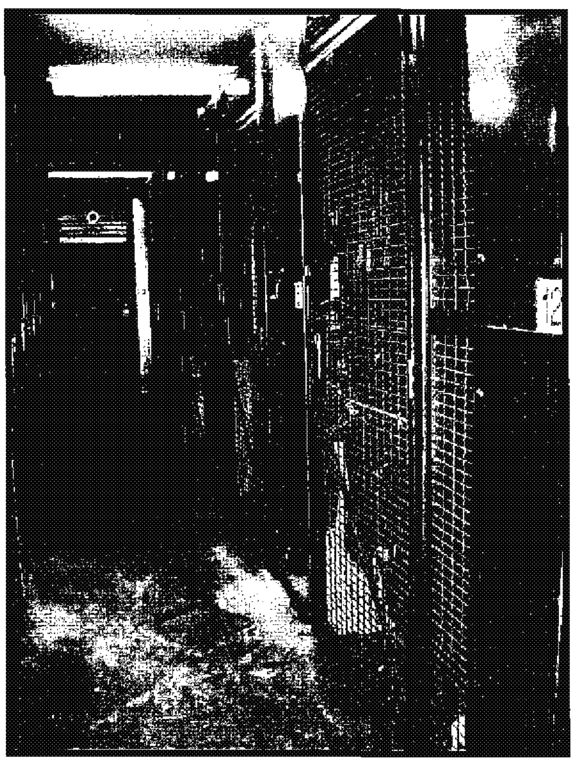


NYSC Main Floor and Mezzanine



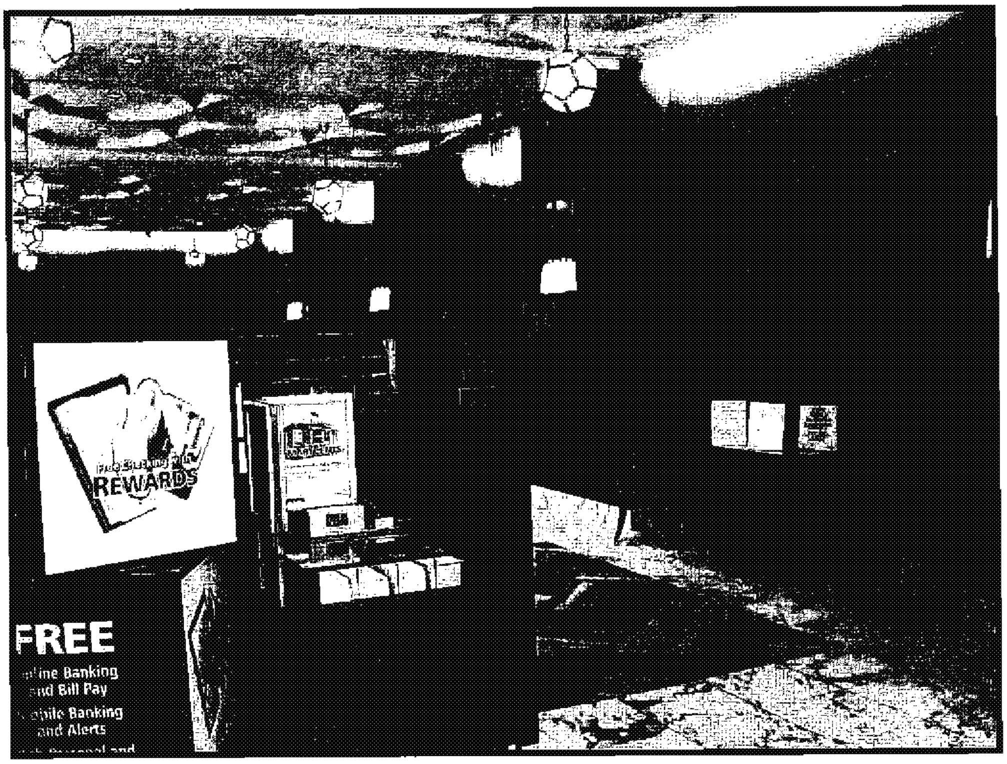
NYSC Locker Room

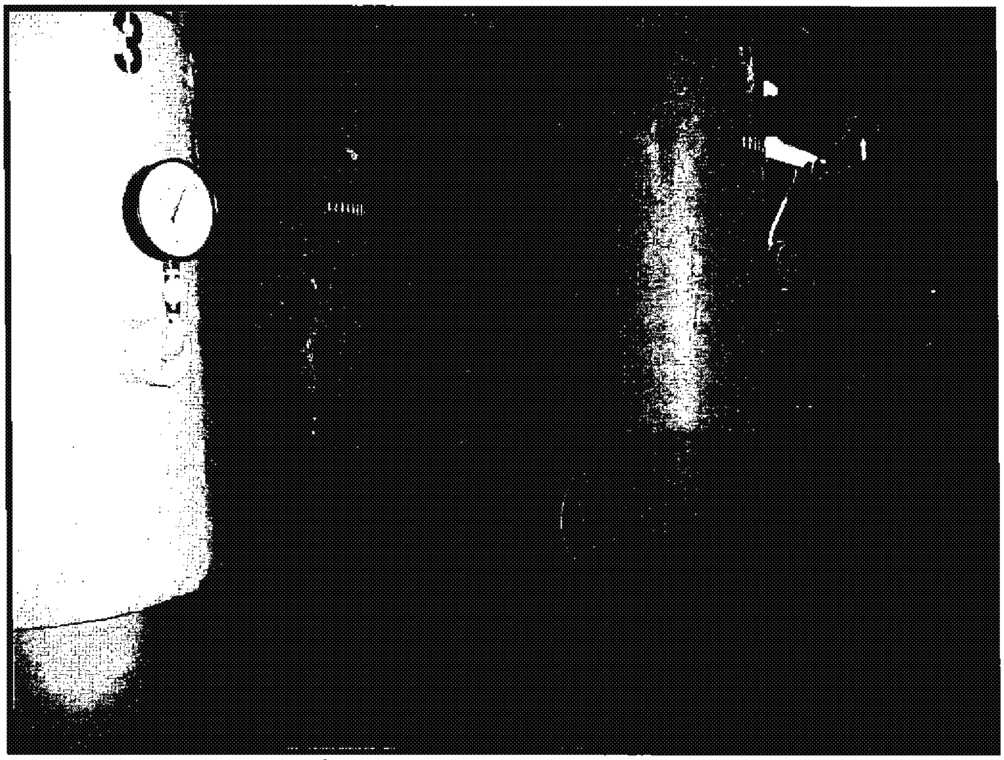
NYSC 2nd Floor



Storage Area

Capital One Interior Views

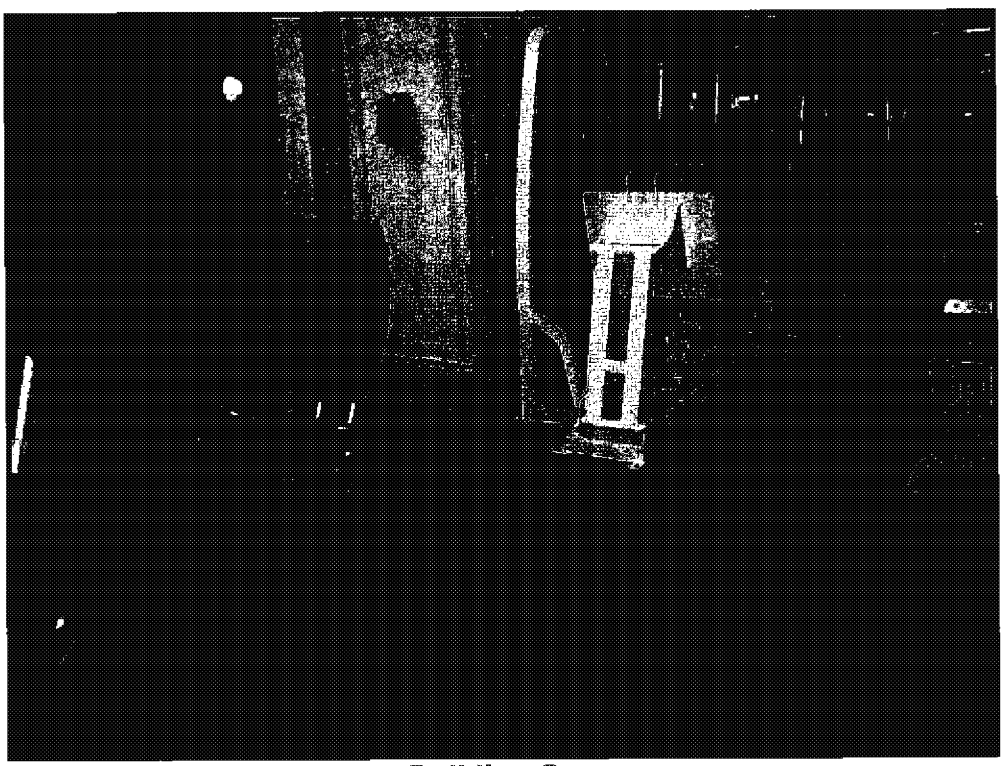




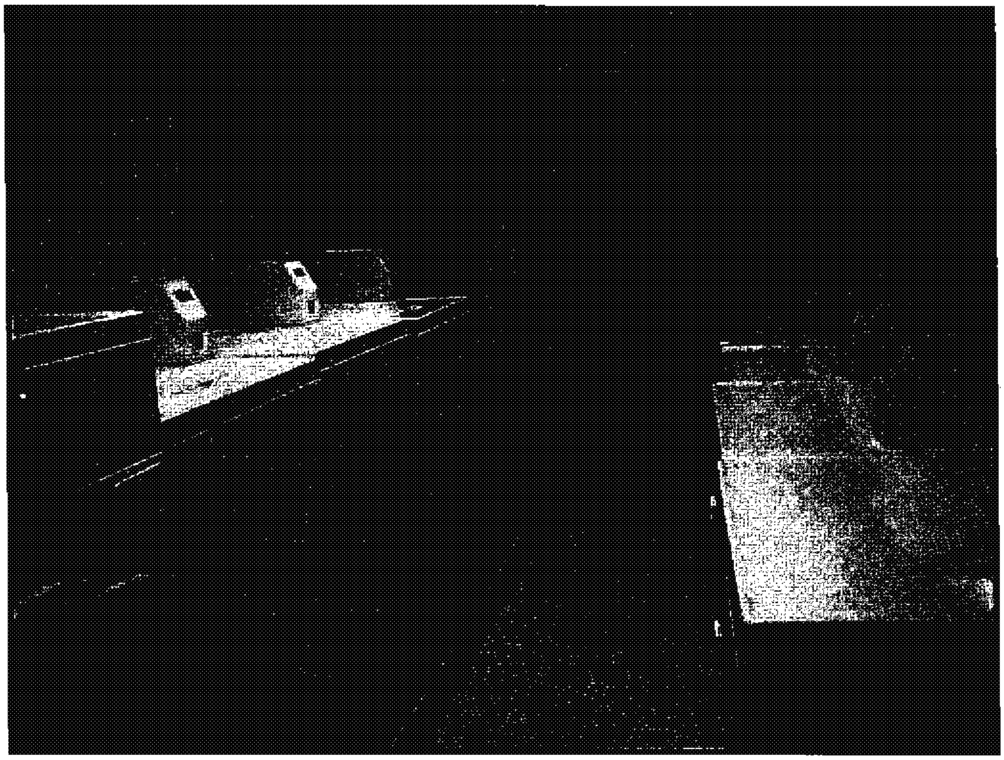
Steam Distribution Valves

Compressors

Front Foyer

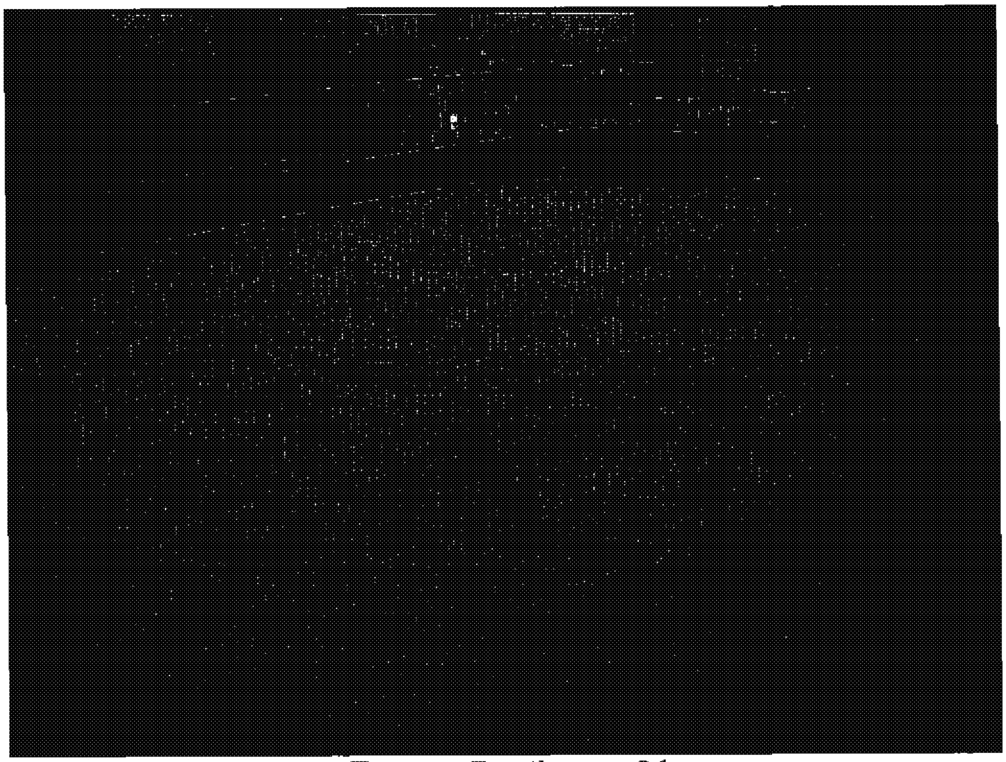


Building Gym

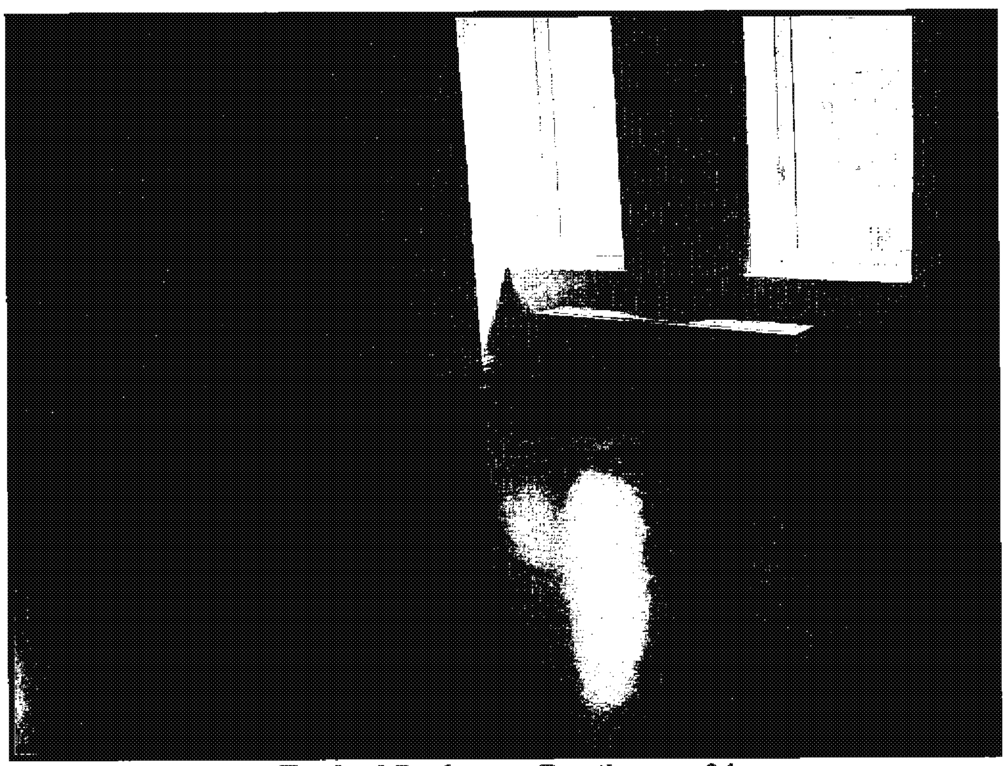


Building Laundry

Grand Staircase to Penthouse 31

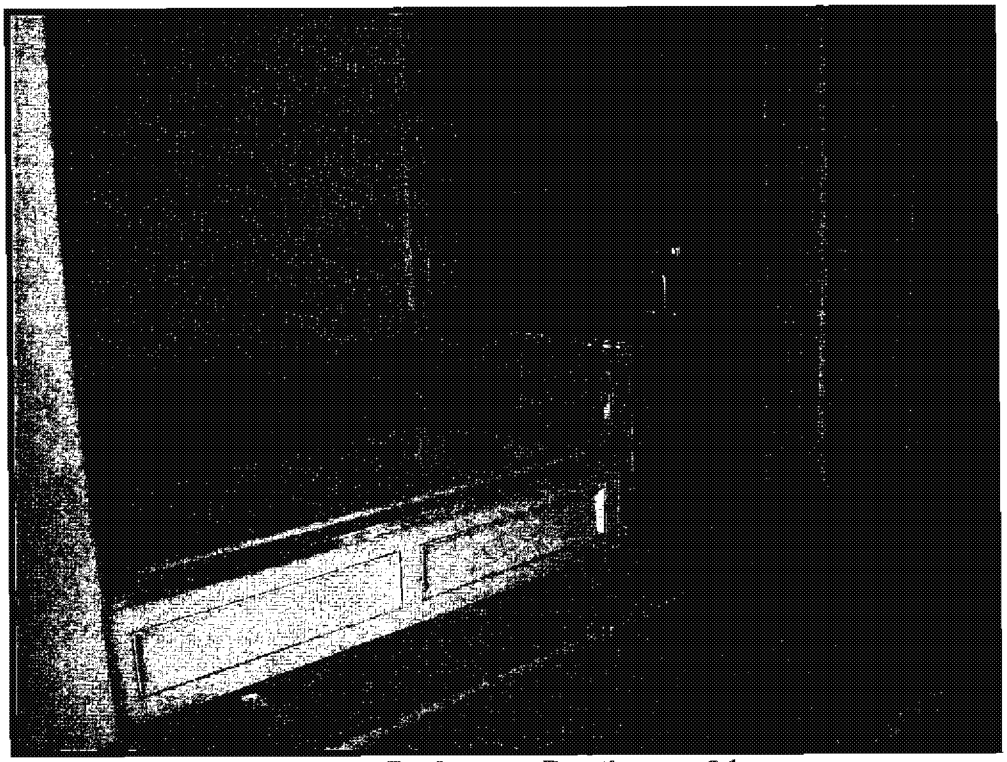


Terrace-Penthouse 31

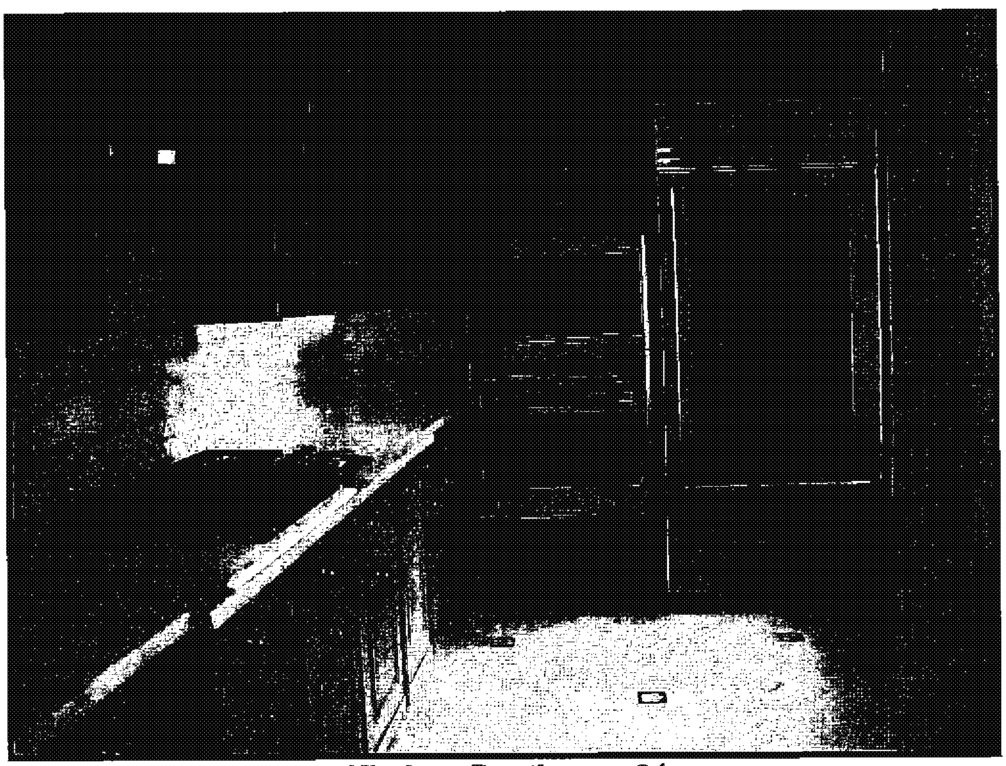


Typical Bedroom-Penthouse 31

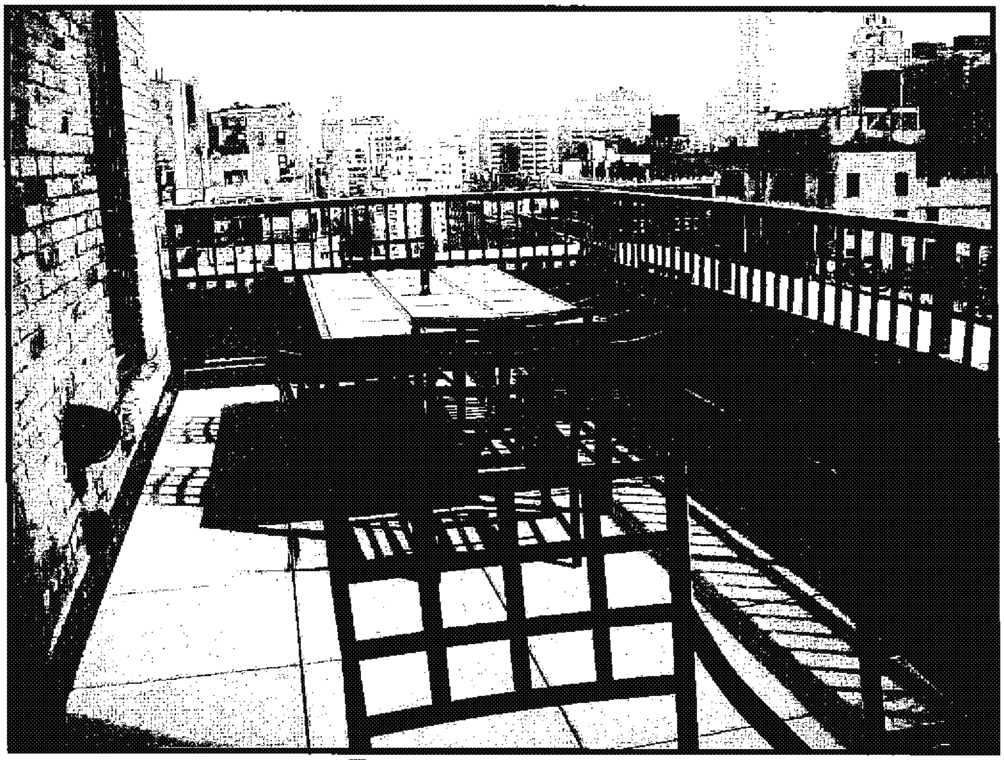
Living Room Views-Penthouse 31



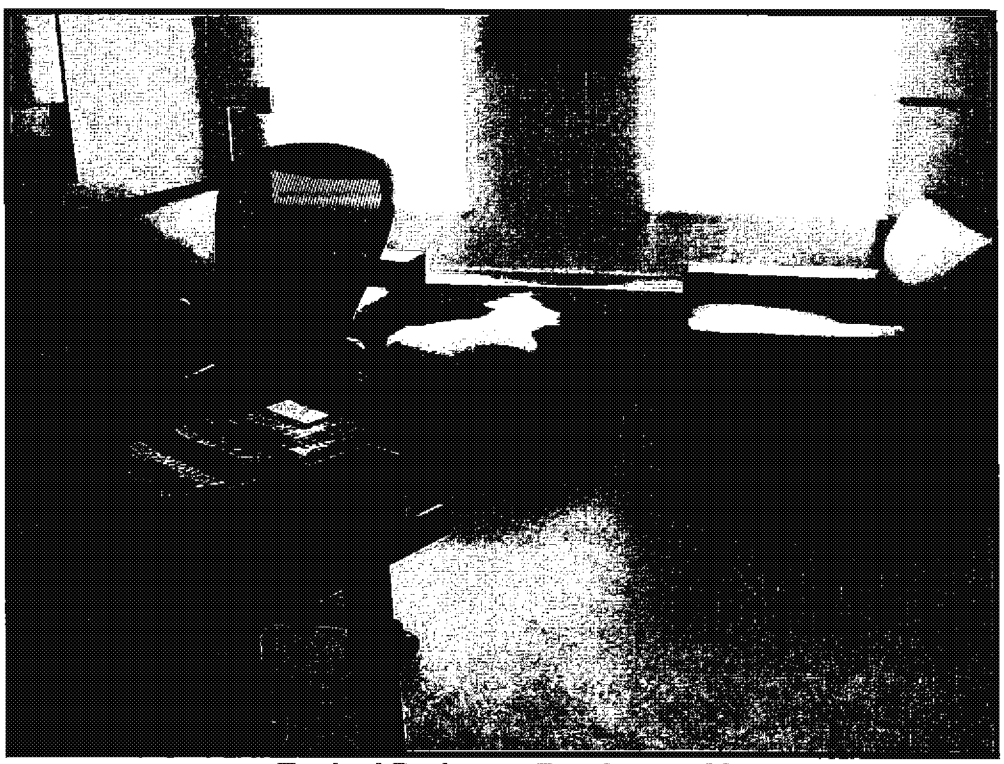
Master Bathroom-Penthouse 31



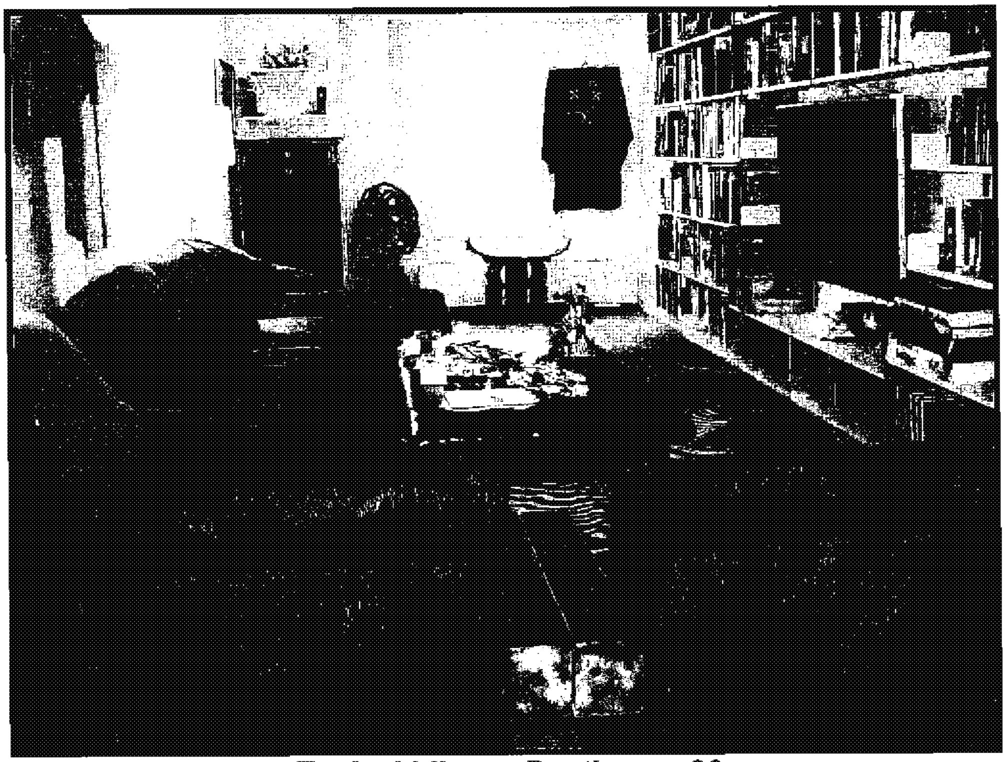
Kitchen-Penthouse 31



Terrace-Penthouse 20



Typical Bedroom-Penthouse 20

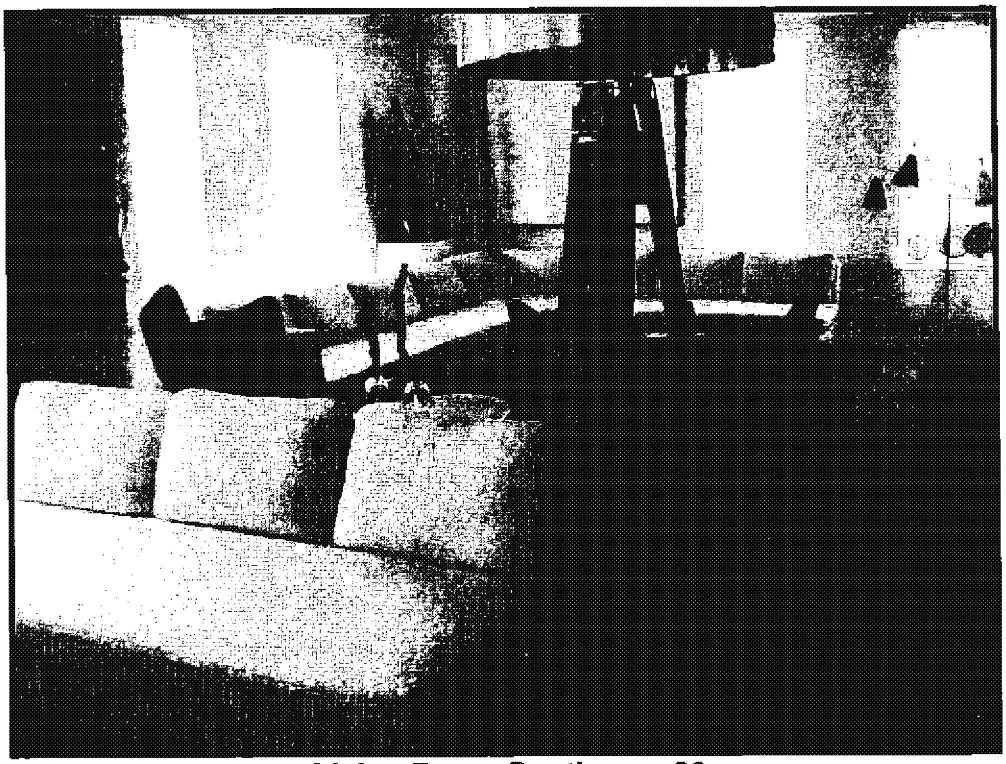


Typical Library-Penthouse 20

Dining Room-Penthouse 20

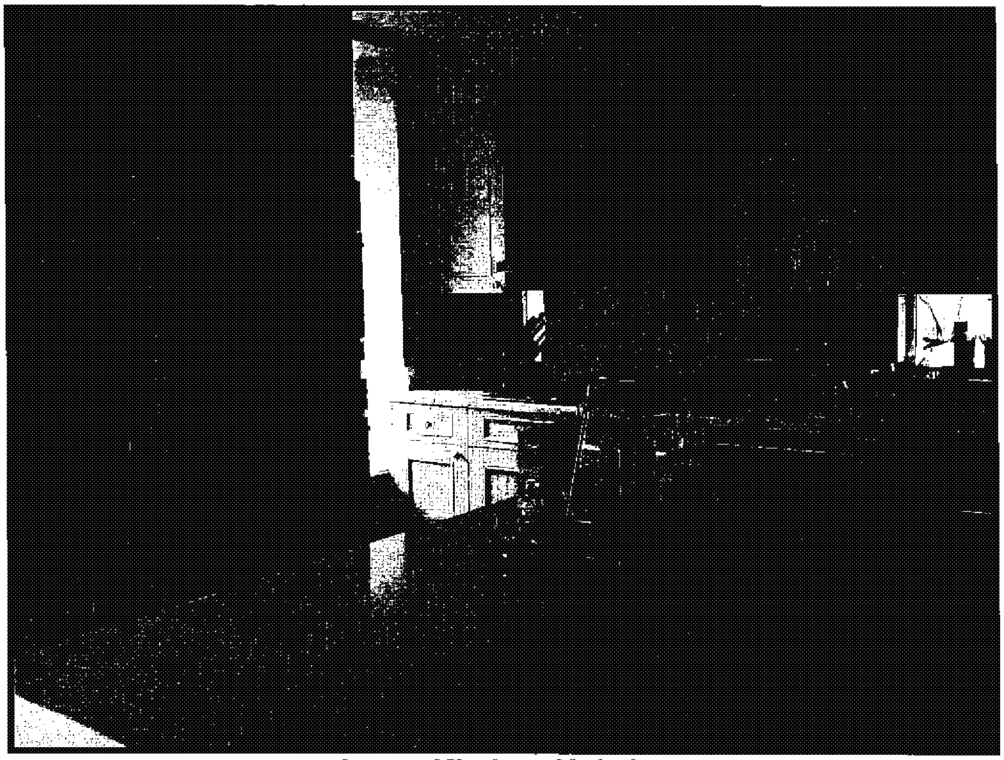
Builder's Pantry-Penthouse 20

Kitchen-Penthouse 20

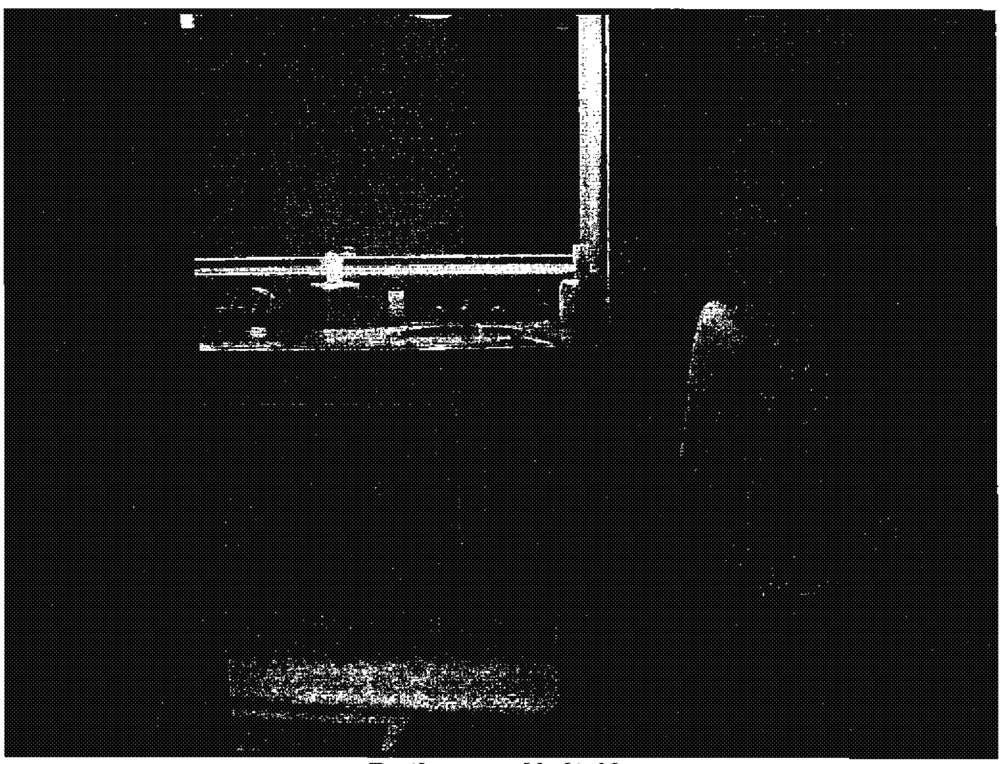


Living Room-Penthouse 20

Renovated Living Room-Unit 19a

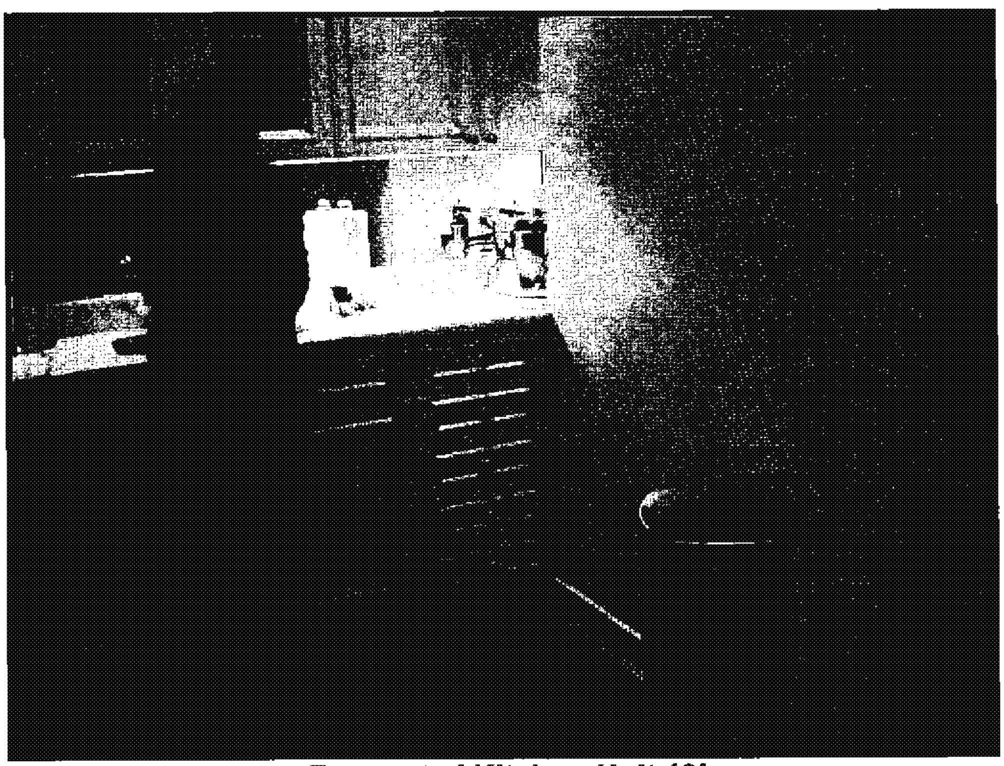


Large Kitchen-Unit 19a



Bathroom-Unit 19a

Renovated Bedroom-Unit 19a



Renovated Kitchen-Unit 12j

Renovated Living Room-Unit 12j

Underlying Assumptions

This appraisal report was prepared in accordance with the following underlying assumptions. It is to be understood that a client's request for, and acceptance of, this appraisal report constitutes the acceptance of these underlying assumptions.

- **Legal Matters:** The legal description used in this report is assumed to be correct, but it may not necessarily have been confirmed by a survey. No responsibility is assumed for legal descriptions, surveys or for easements, encroachments, rights of way, overlapping or other discrepancies that might be revealed thereby. Any sketches included in the report are only for the purpose of aiding the reader in visualizing the property and are not necessarily a result of a survey. Whenever surveys are provided the appraiser or appraisers do not guarantee their accuracy.

  No responsibility is assumed for an opinion of legal nature, such as to ownership of the property or, the subsequent condition of title.

  The appraiser assumes that the title to the property is marketable; unless stated to the contrary, the property is appraised as an unencumbered estate which is not used in violation of applicable and acceptable ordinances, statutes or other governmental regulations.

  The appraiser assumes that the reader or user of this report has been provided with copies of available building plans and all leases and amendments, if any, encumbering the property as well as any other existing documentation that may reveal important information about the subject property. At no point is the appraiser responsible for discovering and providing any such documentation to the client. It is neither possible nor practical for the appraiser to validate with a high degree of accuracy all information and documentation that may be provided to him during the course of an assignment. However; in cases were discrepancies, inconsistencies, and inaccuracy is evident, the appraiser will draw conclusions in a logical manner as would reasonably by expected based on all the available information.

- **Unapparent Conditions:** The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil or structures which would render it more or less valuable than otherwise comparable property. The appraiser is not an expert in determining the presence or absence of hazardous substances, which is defined for the purpose of this report; as all hazardous or toxic materials, waste, pollutants or contaminants (including, but not limited to, asbestos, PCB's, UFFI, or other raw materials or chemicals) used in construction or otherwise present in the property or on the site. The appraiser assumes no responsibility for the studies or analysis which would be required to conclude the presence or absence of such substances or for any loss arising as a result of the presence of such substances. The client is urged to retain an expert in this field, wherever circumstances deem it necessary. The value conclusions contained in this report are based on the assumption that the subject property is not affected by any such substances.

* Conditions are considered to be unapparent when; pertinent information is undisclosed or withheld, not readily or publicly available, or which otherwise does not become known in the normal course of the appraisal assignment.

- **Information And Data:** Information, estimates, and opinions furnished to the appraiser or appraisers and contained in the report, were obtained from sources considered to be reliable and believed to be true and correct. Whenever possible, information is verified by means of several sources. The sources of such information are cited wherever possible. However, no responsibility for the accuracy of such items is assumed by the appraiser or appraisers.

  All mortgages, liens, encumbrances, and servitudes have been disregarded unless so specified within the body of the appraisal report. The subject property is appraised as though under responsible ownership and competent management.

- **Zoning And Licenses:** It is assumed that all applicable zoning and use regulations and restrictions have and will be complied with, unless a nonconforming use has been stated, defined and considered in the valuation and subsequently discussed within the body of this report. It is assumed that the subject property will comply with all applicable federal, state and local environmental regulations and laws unless noncompliance is stated, defined and considered in the valuation process. It is assumed that the information relating to the location of or existence of public utilities that has been obtained through inquires from the appropriate utility authorities, or has been ascertained from visual evidence is correct. No warranty is made regarding the exact location or capacities of public utility systems. It is also assumed that all licenses, certificates, consents or other legislative or administrative authorities from local, state or national governmental or private entities or organizations have been, or can be, obtained or renewed for any use on which the value estimate contained in the appraisal report is based.

Limiting Conditions

This appraisal report was prepared in accordance with the following assumptions and limiting conditions. It is to be understood that a client's request for, and acceptance of, this appraisal report constitutes the acceptance of these limiting conditions.

- The appraiser will not be required to give testimony or appear in court as a result of preparing the appraisal with reference to the subject property in question, unless prior arrangements have been made and agreed upon to that effect.

- Possession of this report does not carry with it the right of publication. Out-of-context quotations or partial reprinting of this appraisal report is not authorized. Further, neither all nor any part of this appraisal report shall be disseminated to the general public by the use of media for public communication without the prior written consent of the appraiser signing this appraisal report.

- Disclosure of the contents of this report is governed by the By-Laws and Regulations of The Appraisal Institute. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser or appraisers or the firm with which the appraiser (s) is associated, or any reference to The Appraisal Institute or to the appraiser's designations) shall be disseminated to the public through advertising media, public relations media, news media, sales media or any other public means of communication without the prior written consent and approval of the respective appraiser or appraisers.

- The distribution of the total valuation in this report, between land and improvements, is applicable only as it is utilized in this appraisal. The land value, or the separate value of the improvements, must not be used in conjunction with any other appraisal or estimate and is invalid if so used.

  An appraisal related to an estate in land that is less than the whole **Fee Simple Estate** applies only to the fractional interest or interests involved. The value of this fractional interest plus the value of all other fractional interests may or may not equal the value of the entire **Fee Simple Estate** considered as a whole.

  The appraisal report related to a geographical portion of a larger parcel is applied only to such geographical portion and should not be considered as applying with equal validity to other portions of the larger parcel or tract as a whole. The value for such geographical portions plus the value of all other geographical portions may or may not equal the value of the entire parcel or tract considered as a whole.

- The forecasts, projections, or operating estimates contained herein are based upon current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to change as conditions change.

- The plans, specifications, and representations referred to herein are an integral part of the appraisal report when new construction, additions, renovations, or remodeling is either evident or proposed. As such the appraisal is subject to any proposed improvements or additions being completed as set forth in the plans, specifications, and representations referred to in the report, and all work being performed in a good and workmanlike manner. The appraisal is further subject to the proposed improvements or additions being constructed in accordance with the regulations of the local, county, and state authorities.

- No environmental or concurrency impact studies were either requested or made in conjunction with this appraisal report. The appraiser, thereby, reserves the right to alter, amend, revise, or rescind any of the value opinions based upon any subsequent environmental or concurrency impact studies, research or investigation subsequent to the completion of this appraisal report.

- The Americans with Disabilities Act ("ADA") became effective January 26, 1992. The appraiser has not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the subject property. Since the appraiser is not considered an expert with these issues, possible noncompliance with the requirements of ADA and its impact on the value of the subject property has not been considered.

This appraisal report complies to the requirements set forth in title XI CFR part 225.61 et seq; of the Federal Financial Institutions Reform, Recovery and Enforcement Act of 1989, commonly known as "FIRREA". The appraisal also conforms with the Uniform Standards of Professional Appraisal Practice ("USPAP") and discloses any steps taken that were necessary or appropriate to comply with the competency provision of USPAP, and that this appraisal is not based on a requested minimum valuation, a specific valuation or the approval of a loan.

Appraiser's Certification

The Appraiser has personally conducted this appraisal in an objective manner. Furthermore; this appraisal conforms to "USPAP" Standards Rule 2-3 which states:

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

- The statements of fact contained in this appraisal report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest or bias with respect to the parties involved.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result or the occurrence of a subsequent event directly related to the intended use of this appraisal
- Our analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).
- Anastasia Friedman has made a personal inspection of the property that is the subject of this report. Frank Trupia, MAI has reviewed the report and is in agreement with the value conclusions.
- We certify that, to the best of our knowledge and belief, the reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
- Use of the report is subject to the professional requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, Frank Trupia, MAI has completed the requirements of the continuing education program of the Appraisal Institute and has the appropriate knowledge and experience to complete the appraisal.

Anastasia Fz

Frank Trupia

Anastasia Friedman
NYS License# 46000047779

Frank Trupia, MAI
NYS License# 46000044546
Reviewed without inspection

Summary of Salient Facts

Name of Property:	Trump Park Avenue
Location:	502-504 Park Avenue New York, NY 10022 Units: Com1, Com2, 3B, 4A, 6B, 6C, 7A, 7B, 7E, 7G, 8E, 8H, 10E, 12E, 12J, 15A, 19A, PH20, PH21, PH23, PH24, PH27, PH28, PH31/32, ST10, ST12, ST13, ST15, ST20, ST25
Property Type:	23 residential condo units, 2 commercial condo units and 6 storage condo units

Site Description

Size:	±14,059 SF or ±0.32 acres
Zoning:	C5-3/MID
Topography:	Generally level
Utilities:	All available
Utility:	Good

Subject Improvements

General Description:	The subject property contains 23 residential condo units, 2 commercial condo units and 6 storage condo units. The entire building was originally built in 1929. It was converted to condominium status in 2003 and fully renovated at that time. Please note that, according to the property owner's building manager, the rent stabilized units were only partially renovated.
Gross Building Area:	±84,813 square feet (subject units only) *This is based on an April 5, 2010 rent roll.*

Prior Sale:	The current owner has retained ownership of the subject property in excess of five years. One unit of the subject property, Penthouse 31/32 is currently available for sale at an asking price of $31,000,000. It has been on the market for approximately 2 years.

Conclusions

Highest and Best Use "As Vacant":	N/A
Highest and Best Use "As Improved":	N/A

Cost Approach:	**N/A**
Sales Approach (Sum of Gross Sellout):	**$164,000,000**
Income Approach (As Is):	**$72,500,000**
Overall Capitalization Rate:	7.0%

Market Value Conclusions:

Market Value "As Is":	**$72,500,000**
Sum of the Gross Sellout	**$164,000,000**

Important Definitions

Market Value ....

The current economic definition of market value, as defined by the Appraisal Foundation and presented in the 2003 edition of the Uniform Standards of Professional Appraisal Practice is stated as follows:

"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."[1]

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[1] **<u>Uniform Standards Of Professional Appraisal Practice</u>, ed. (Washington DC: Appraisal Standards Board of The Appraisal Foundation, 2003)**

Important Definitions

Fee Simple Estate ....

"Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat"[2]

Fee Simple Title..

"A title that signifies ownership of all the rights in a parcel of real property, subject only to the limitations of the four powers of government."[3]

Leased Fee Interest..

An ownership interest held by a landlord with the rights of use and occupancy conveyed by lease to others. The rights of the lessor (the leased fee owner) and the lessee are specified by contract terms contained within the lease.[4]

Leasehold Interest ....

The interest held by the lessee (the tenant or renter) through a lease transferring the rights of use and occupancy for a stated term under certain conditions. See also negative leasehold; positive leasehold.[5]

Insurable Value..

The value of an asset or asset group that is covered by an insurance policy; can be estimated by deducting costs of non-insurable items (e.g., land value) from market value.[6]

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[2] **The Dictionary of Real Estate Appraisal, 4th ed. (Chicago: The Appraisal Institute, 2002), p. 113.**
[3] **The Dictionary of Real Estate Appraisal, 4th ed. (Chicago: The Appraisal Institute, 2002), p. 113.**
[4] **The Dictionary of Real Estate Appraisal, 4th ed. (Chicago: The Appraisal Institute, 2002), p. 161.**
[5] **The Dictionary of Real Estate Appraisal, 4th ed. (Chicago: The Appraisal Institute, 2002), p. 162.**
[6] **The Dictionary of Real Estate Appraisal, 4th ed. (Chicago: The Appraisal Institute, 2002), p. 147.**

PURPOSE OF THE APPRAISAL

This appraisal has been made for the purpose of estimating the "As Is" Market Value and the Gross Sellout Value for the subject property known as 502-504 Park Avenue, Units Com1, Com2, 3B, 4A, 6B, 6C, 7A, 7B, 7E, 7G, 8E, 8H, 10E, 12E, 12J, 15A, 19A, PH20, PH21, PH23, PH24, PH27, PH28, PH31/32, ST10, ST12, ST13, ST15, ST20, and ST25, Borough of Manhattan, City and County of New York, New York, as of April 6, 2010. This report reflects the probable Market Value under typical selling conditions prevalent as of the date of inspection.

FUNCTION OF THE APPRAISAL

The function of this appraisal is to assist **Investors Savings bank, N.A.,** 60 East 42nd Street, New York, NY in estimating the "As Is" Market Value of the subject property as of April 6, 2010 and the Sum of the Gross Sellout as of October 1, 2011. It is our understanding that the appraisal will be used to assist in collateral evaluation.

IDENTIFICATION OF THE PROPERTY

The subject site is located in the Borough of Manhattan, New York City, at the northwest corner of 59th Street and Park Avenue in an area known as Upper East Side in the Borough of Manhattan, City and County of New York, New York. The address for the subject property is 502-504 Park Avenue, Units Com1, Com2, 3B, 4A, 6B, 6C, 7A, 7B, 7E, 7G, 8E, 8H, 10E, 12E, 12J, 15A, 19A, PH20, PH21, PH23, PH24, PH27, PH28, PH31/32, ST10, ST12, ST13, ST15, ST20, and ST25, Borough of Manhattan, City and County of New York, New York. The total land area of the subject site is ±0.32 acres or ±14,059 square feet. The subject property is identified on the New York City Tax Maps as follows:

SUBJECT DESCRIPTION

Unit #	Unit SF	Unit Type	Block	Lot
		Residential Units		
3B	4,614	8-4-6.5	1374	1131
4A	1,149	3-1-1	1374	1132
6B	1,638	5-2-2.5	1374	1145
6C	743	3-1-1	1374	1146
7A	717	3-1-1	1374	1153
7B	1,641	5-2-2.5	1374	included in 1153
7D	1,546	3-1-1	1374	1155
7E	795	3-1-1	1374	1156
7G	1,542	5-2-2	1374	1158
8E	1,017	3-1-1	1374	1165
8H	679	3-1-1	1374	1168
10E	810	3-1-1	1374	1183
12E	817	3-1-1	1374	1202
12J	693	3-1-1	1374	1206
15AB	2,408	5-2-2	1374	1218
19AB	3,211	7-3-3.5	1374	1247
PH20	7,132	13-7-8	1374	1251
PH21	7,132	13-7-8	1374	1252
PH23	6,224	11-5-6.5	1374	1254
PH24	6,192	11-5-6.5	1374	1255
PH27	4,164	7.5-4-5.5	1374	1258
PH28	4,164	7.5-4-5.5	1374	1259
PH31	6,299	7-5-6	1374	1262
TOTAL	65,327			
		Commercial Units		
CAPITAL ONE	3,800	Commercial	1374	1164
NYSC	15,435	Commercial	1374	1128
TOTAL	19,235			
		Storage Units		
ST10	33	Storage	1374	1110
ST12	33	Storage	1374	1112
ST13	33	Storage	1374	1113
ST15	58	Storage	1374	1115
ST20	49	Storage	1374	1120
ST25	45	Storage	1374	1125
TOTAL	**84,813**			

PROPERTY RIGHTS APPRAISED

This valuation is the Leased Fee Interest of the subject property. No estimate of business value is included within the scope of this appraisal.

ESTIMATE OF EXPOSURE TIME

Exposure time is defined as:

The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.[7]

Based on discussions with brokers active in the local market, exposure time for properties similar to the subject (on an individual unit basis) has historically approximated three to twelve months depending on the size, location, and condition of the property. Exposure time for the subject is estimated to be nine months.

ESTIMATE OF MARKETING TIME

Marketing time is defined as:

The time it takes an interest in real property to sell on the market subsequent to the date of an appraisal.[8]

Based on discussions with brokers active in the local market, marketing time for properties similar to the subject (on an individual unit basis) has historically been three to twelve months. We estimate the marketing time for the subject to be nine months based upon the current state of the market and desirability of the subject location.

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[7] **The Dictionary of Real Estate Appraisal, 4th ed. (Chicago: The Appraisal Institute, 2002), p. 105**
[8] **The Dictionary of Real Estate Appraisal, 4th ed. (Chicago: The Appraisal Institute, 2002), p. 175**

Scope Of The Appraisal

The scope of work encompasses the type and research and analyses in an assignment.

The scope of work includes but is not limited to:

- The extent to which the property is identified,
- The extent of which tangible property is inspected
- The type of and extent of date researched and
- The type and extent of analyses applied to arrive at opinions or conclusions.

The steps involved in the valuation of the subject are as follows:

1. The entire interior and exterior of subject property is physically inspected as of the date indicated in the **Transmittal Letter** and the subsequent **Summary and Conclusion** section of this report.

2. Regional, county, municipal and neighborhood data is based on information gathered from various sources including state agencies, newspaper publications, trade publications supplied by commercial sources, multiple listing systems, market participants (i.e. buyers -sellers - brokers) as well as the appraiser's physical inspection and analysis of the area.

3. Data relating to the subject property is based on the appraiser's physical inspection of the improvements, as well as building plans and or site information supplied by municipal agencies or the owner, measurements made at the inspection, and information extracted from the deed as well as other similar documentation. In cases where the improvements are proposed information is based on available blueprints or other similar documentation.

4. In estimating **The Highest and Best Use** for the subject property, an analysis is made of the data compiled in the previously noted steps. And; a study of the subject market area is conducted to determine which aspects of **The Highest and Best Use** are applicable to the subject.

5. The sales comparison and income approaches were applied in the valuation of the subject. The cost approach was not applicable due to the age of the property. Sales of improved properties and leases similar to the subject are researched from a variety of sources which may include deed transactions reported by commercial information services, interviews with realtors, other appraisers, and buyers and

sellers. Whenever possible information is verified by more than one source in order to guarantee its accuracy. The search for data begins in the subject community and is expanded into surrounding communities until sufficient data is collected. Comparable leases were researched by speaking with other appraisers and local brokers.

6. In developing applicable approaches to value the appraiser analyzes market data relevant to the subject.

7. Only after assembling and analyzing the data defined in the **Scope of Work**, can the appraiser establish a final estimate of Market Value.

New York City consists of five boroughs, Manhattan, Queens, Brooklyn, Staten Island, and the Bronx. It is recognized as an international commercial and cultural center, and with more than eight million residents, it is one of the most populous cities in the nation and one of the largest in the world. Renowned for its cultural attractions, entertainment, restaurants, and retail outlets, New York City is one of the most popular tourist destinations in the country. It is home to the United Nations, the Statue of Liberty, and the Empire State Building. The theaters in the Broadway district attract international attention. Lincoln Center (the home of the Metropolitan Opera, the New York Philharmonic, the New York City Ballet and Opera, and the Juilliard School) is among the world's most important centers for the performing arts. The Metropolitan Museum of Art, the Museum of Modern Art, the American Museum of Natural History, and a number of the city are other museums and galleries are internationally respected.

As the site of Wall Street, New York is the nation's financial and business capital. Manhattan's central business district contains the greatest concentration of commercial activity in the United States, and generates more than two million jobs. New York is the home of the NASDAQ, American, and New York Stock Exchanges, as well as a majority of the nation's investment bankers and brokers and many of the largest commercial banking institutions. In addition to financial institutions, New York City is a major center for industries such as fashion, textiles and garments, advertising, publishing and communications, jewelry, design, and technology.

New York City is a major national and international center of commerce and culture, employing an estimated 3,610,000 people. Although New York City has experienced strong growth over the past several years, the metropolitan area's economy has declined substantially as a result of the national recession and the lingering and pervasive effects of the terrorist attacks of September 11, 2001. According to the Precis Report, Wall Street's bull market bolstered the city's economy in the late 1990s and early 2000 by generating business activity and promoting employment growth in the private sector. New York City remains the financial capital of the United States, and the city's economy still relies heavily on the health of the financial sector. However, major brokerage companies such as Merrill Lynch, Morgan Stanley, and Goldman Sachs have laid off hundreds of employees, and the latter two have relocated a number of their employees to venues outside Manhattan. In addition, employment in media and technology firms is also declining, as a number of start-ups were not able to survive the economic downturn.

Area And County Analysis

According to the U.S. Bureau of the Census, New York City was home to more than eight million people as of December 2008, representing a 4.4% increase from 2000. As the home of 30% of the city's population, Brooklyn is the most populous borough. Manhattan's population, which is estimated at 1,634,795, equates to approximately 68,000 residents per square mile, making it one of the densest residential populations in the nation. High housing costs are cited as one reason for continued movement to suburban areas, but this trend has been offset by the large number of immigrants who arrive each year. Overall, the citywide population is expected to remain relatively stable during the next five years. Median household income stood at $48,631 in 2007, and disposable personal income per capita rose by 37.0% since 1999. New York City has one of the nation's highest concentrations of households with earnings in excess of $100,000. New York's economy today is more vulnerable than ever to the ups and downs of the stock market. Although Wall Street accounted for only 4.9% of the city's job base in 2000, total city wages increased by 19.0%, driven by this sector.

Manhattan is surrounded by New Jersey to the west (across the Hudson River), Staten Island to the southwest (across the Upper New York Bay), Brooklyn and Queens to the east (across the East River), and the Bronx to the north (across the Harlem River). Although 12 bridges and tunnels provide access to Manhattan, the tremendous volume of traffic at these crossings can result in long delays.

County Highlights	
Area in square miles	23
2008 population:	1,634,795
2000 per capita income:	$42,922

Census Indicators New York County represents the Borough of Manhattan and is an urban county within the larger City of New York. Based on the 2000 Census, New York County's population advanced modestly from 1990 to 2000, increasing by 49,659 (3.3%) to reach a level of 1,537,195. By comparison, the state increased 5.5 percent. New York County ranked third among New York's counties in total population in 2000. By 2008, the population increased to 1,634,795, which is an increase of 6.3%.

Unemployment Rates As of March 2010, the unemployment rate stood at 10.0% in New York City. This indicator was higher than the level for 2001 but was still below the rates registered during the early and middle part of the 1990s.

New York City has been affected by the national recession, which began in December 2007. Unemployment rates increased from a low of 4.4% in February 2008. The recession reportedly began with the subprime mortgage crisis and then spread into other parts of the economy. The failure and subsequent bankruptcy or merger of

Countrywide Financial, Bear Sterns, Lehman Brothers, Merrill Lynch, Fannie Mae, Freddie Mae, and AIG, exacerbated the crisis with significant layoffs in the financial industry as well as causing a significant dip in consumer confidence.

Then, August 2008 saw the credit crisis when the credit markets froze. There was an equivalent of a bank run on the money market mutual funds. This interrupted the ability of corporations to rollover their short term debt. As of the date of this report, the credit markets remain constricted despite efforts by the federal government to help ease the problem.

Currently, the Federal Reserve projects a return to typical GDP growth levels of 2-3% in 2010; an unemployment plateau in 2010 around 10% with moderation in 2011; and inflation that remains at typical levels around 1-2%.

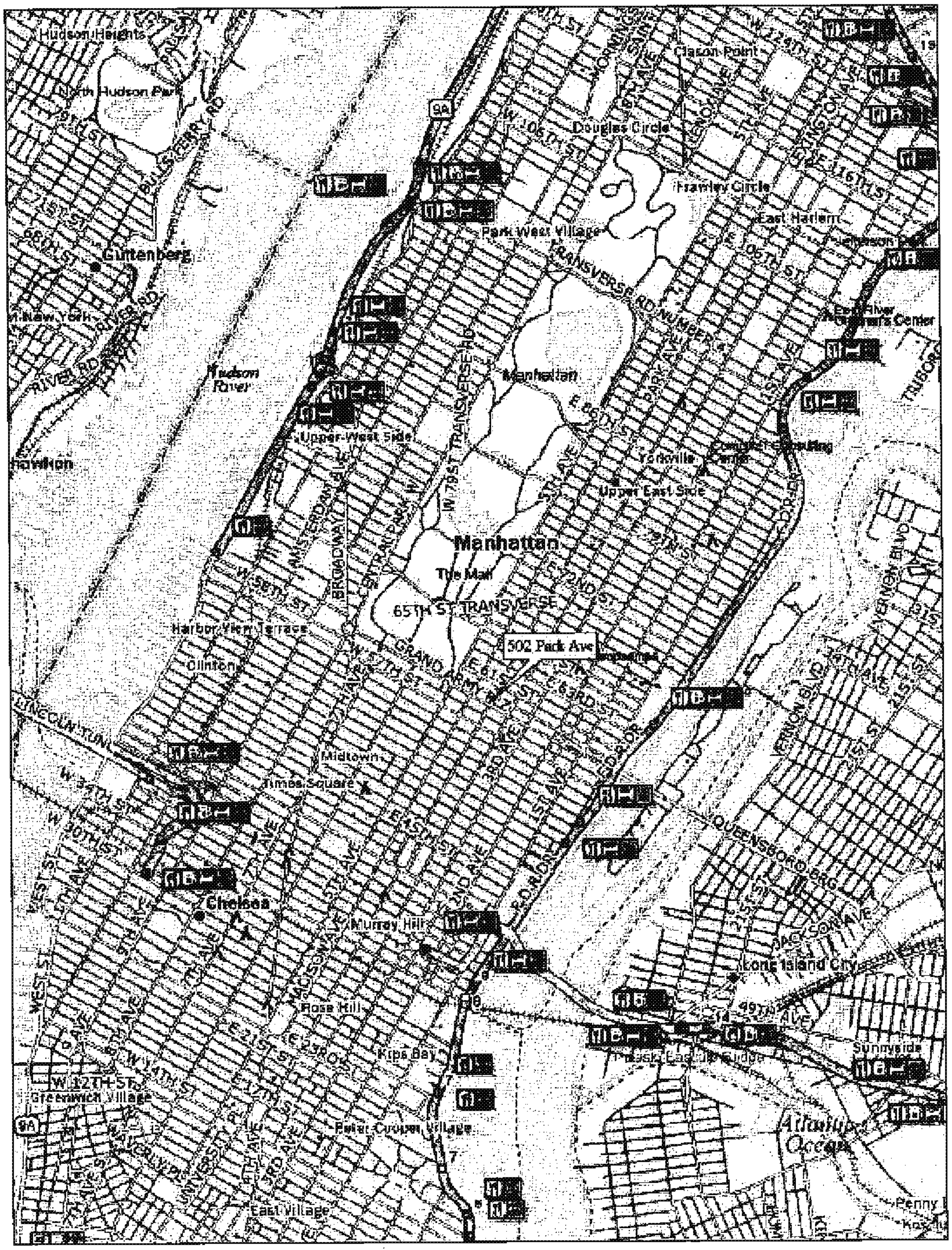
Unemployment Data

Year	New York City	New York State	Nation
1999	6.9%	5.2%	4.3%
2000	5.8%	4.6%	4.0%
2001	6.1%	4.9%	4.8%
2002	8.0%	6.1%	5.8%
2003	8.3%	6.3%	6.0%
2004	7.1%	5.8%	5.4%
2005	5.8%	5.0%	5.1%
2006	5.0%	4.6%	4.6%
2007	4.9%	4.5%	4.6%
2008	5.5%	5.4%	5.8%
2009	9.3%	8.6%	9.5%
Mar-10	10.0%	8.6%	9.7%

Income Indicators Manhattan's per capita personal income was $120,790 in 2007 (the latest available county data), ranking it number one among the state's 62 counties. The statewide level for the 2007 statistical period was $46,364.

Area and County Analysis

Area Map



The Oxford Group
APPRAISAL & CONSULTATION, INC.

City and Neighborhood Analysis

The subject property is located at the northwest corner of 59th Street and Park Avenue, in the Borough of Manhattan, City and County of New York, New York. Manhattan is a borough which contains 23 square miles of land area and 8.2 square miles of inland water area. As previously indicated, the Borough of Manhattan is one and the same as New York County.

Neighborhood Description The subject property is located in a neighborhood known as the Upper East Side. The Upper East Side is bordered by 59th Street to the south, Central Park to the west, East River on the east, and 96th Street on the north.

The Upper East Side is mostly residential in nature. The density is relatively high, although there is some medium density development along side streets. Commercial development is mainly within mixed-use properties along the avenues: Fifth Avenue, Park Avenue, Madison Avenue, Lexington Avenue, Third Avenue, Second Avenue, First Avenue and York Avenue. Madison Avenue is considered the premier commercial street in the neighborhood.

The Upper East Side is one of the most expensive places to live in Manhattan. The cost of living is the highest at Fifth Avenue and decreases as one moves east towards the East River. Fifth Avenue is home to several world renowned museums including Metropolitan Museum of Art, Frick Collection, and the Solomon Guggenheim Museum. The area is built up and there is little land available for development.

Transportation New York is one of the most traffic-congested cities in the U.S. To ease traffic congestion in Manhattan, an extensive public transportation system is available for visitors to the area. Public transportation includes the city's subway and bus network, and the New Jersey PATH and Long Island Rail Road systems.

The subway station closest to the subject property services the 4, 5, 6, N, R, W and F lines and is situated on 59th and Lexington Avenue. In addition, there are multiple buses that service the area.

Local Neighborhood and Market Analysis

Access to the subject is Park Avenue and 59th Street. Park Avenue is a four-lane, divided commercial roadway extending in a north-south direction; 59th Street in a three-lane, commercial roadway bisecting Manhattan in an east-west direction. Access and visibility are excellent.

Supply and Demand:

Condominium Market-Residential

The Upper East Side is densely developed with a variety of residential, and mixed-use, uses. The majority of developments in the area are hi-rise. According to the New York City Department of Planning, the 2008 land uses for Community District 8 (Upper East Side and Roosevelt Island) is: 51.3% for residential uses and 22.2% for mixed-use buildings.

There have been few new construction projects during the current downturn and some condo conversions. The levels of activity are below historical averages and well below the 2006-early 2008 peak. Similar to the rest of the New York City market, the Upper East Side has experienced a downturn, although not to the extent that the rest of the market.

According to the fourth quarter 2009 REBNY residential report, the rate of supply growth for residential space has markedly decreased. Building permits in Manhattan peaked at 10,930 units in 2007. The 5-year average (2004-2008) was 8,494 units. The first 10 months of 2009 saw only 1,203 units. This trend stems from a combination of the market downturn, lack of available financing and recent changes in tax abatement laws. The 20-year trend is summarized for all five boroughs on the following page:

Local Neighborhood and Market Analysis

New York City Housing Unit Permits

*through October 2009

Source: REBNY Market Report

Year	Bronx	Brooklyn	Manhattan	Queens	Staten Island	Total
1988	967	1,629	2,460	2,506	2,335	9,897
1989	1,643	1,775	2,986	2,339	2,803	11,546
1990	1,182	1,634	2,398	704	940	6,858
1991	1,093	1,024	756	602	1,224	4,699
1992	1,257	646	373	351	1,255	3,882
1993	1,293	1,015	1,150	530	1,185	5,173
1994	846	911	428	560	1,265	4,010
1995	853	943	1,129	738	1,472	5,135
1996	885	942	3,369	1,301	2,155	8,652
1997	1,161	1,063	3,762	1,144	1,857	8,987
1998	1,309	1,787	3,823	1,446	2,022	10,387
1999	1,153	2,894	3,791	2,169	2,414	12,421
2000	1,646	2,904	5,110	2,723	2,667	15,050
2001	2,216	2,973	6,109	3,264	2,294	16,856
2002	2,626	5,247	5,407	3,464	1,756	18,500
2003	2,935	6,054	5,232	4,399	2,598	21,218
2004	4,924	6,825	4,555	6,853	2,051	25,208
2005	4,937	9,028	8,493	7,269	1,872	31,599
2006	4,658	9,191	8,790	7,252	1,036	30,927
2007	9,520	7,625	10,930	3,104	739	31,918
2008	2,128	12,357	9,700	7,730	1,255	31,915
2009*	835	899	1,203	1,251	516	4,704
Total	50,067	79,366	91,954	61,699	37,711	319,542

The condominium and cooperating markets have also a similar trend. There was a 2007 peak of 13,831 new units. The five year average (2004-2008) was 6,614 units. There were 1,987 new units in 2009. The 15-year trend for Manhattan is presented below:

Manhattan Residential Cooperative and Condominium Offering Plans Accepted for Filing

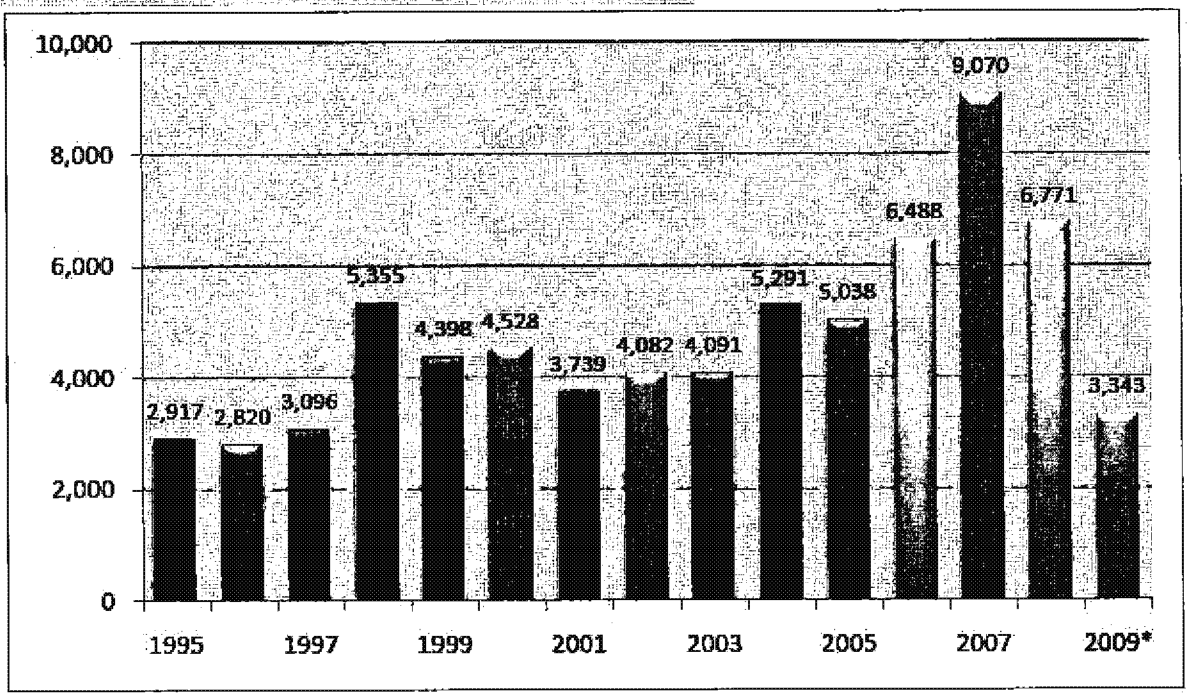
	1994		1995		1996		1997		1998		1999		2000		2001	
	Plans	Units	Plans	Units	Plans	Units	Plans	Units	Plans	Units	Plans	Units	Plans	Units	Plans	Units
New Construction																
Cooperative	1	135	0	0	0	0	0	0	7	487	8	793	0	0	1	128
Condominium	1	83	8	515	5	406	10	582	125	4,105	113	3,696	19	1,212	39	1,566
TOTALS	2	218	8	515	5	406	10	582	132	4,592	121	4,489	19	1,212	40	1,694
Conversions																
Cooperative	3	29	1	5	3	5	2	61	4		431	2	431	1	0	0
Condominium	6	112	6	166	3	166	5	25	18		512	13	512	6	11	680
TOTALS	9	141	7	171	6	171	7	86	22	0	943	15	943	7	11	680

	2002		2003		2004		2005		2006		2007		2008		2009	
	Plans	Units	Plans	Units	Plans	Units	Plans	Units	Plans	Units	Plans	Units	Plans	Units	Plans	Units
New Construction																
Cooperative	3	197	1	76	2	100	6	403	0	0	0	13,652	4	215	3	62
Condominium	25	455	35	2,478	66	3,199	96	5,439	53	1,382	460		104	3,963	42	1,631
TOTALS	28	652	36	2,554	68	3,299	102	5,842	53	1,382	460	13,652	108	4,178	45	1,693
Conversions																
Cooperative	2	133	2	122	5	958	2	55	n/a	n/a	n/a	n/a	4	756	1	73
Condominium	24	2,011	6	434	15	601	9	867	n/a	n/a	11	179	25	1,300	8	221
TOTALS	26	2,144	8	556	20	1,559	11	922	n/a	n/a	11	179	29	2,056	9	294

Source: NYS Attorney General's Office

Meanwhile, demand for residential condominium has suffered during the current economic downturn as well. Sales volume has fallen drastically. The 2007 peak was 9,070 units sold. The five year average (2004-2008) was 6,532 units. The sales volume for the first 10 months of 2009 was 3,343 units. This is presented graphically below:

Manhattan Residential Condominium Sales Volume



*first ten months
Source: The Real Estate Board of New York, Inc.

Meanwhile, Manhattan condominium prices have also fallen from the 2007 peak. However, fourth quarter 2009 indicators point to the first signs of stabilization in the prices. The table below shows an increase of 10% over third quarter 2009 for the average condominium sales price, which was $1,665,000 in fourth quarter 2009. This is 7% below the level in fourth quarter 2008. The median sales price also inched up by 1% to $970,000. This is 13% below fourth quarter 2008. The average price per square foot supports this trend. The fourth quarter 2009 average price per square foot for condominiums in Manhattan was $1,152/SF. This is an increase of 4% over third quarter 2009 and a decrease of 10% from fourth quarter 2008. The data is summarized for all five boroughs in the table on the following page:

Condominium Sale Price

				Change From	
AVG PRICE					
	4q09	3q09	4q08	3q09	4q08
New York City	$1,087	$1,075	$1,154	1%	-6%
Manhattan	$1,665	$1,513	$1,781	10%	-7%
Bronx	$289	$305	$198	-5%	46%
Brooklyn	$502	$551	$591	-9%	-15%
Queens	$412	$403	$407	2%	1%
Staten Island	$279	$268	$272	4%	3%
MEDIAN PRICE					
	4q09	3q09	4q08	3q09	4q08
New York City	$618	$655	$648	-6%	-5%
Manhattan	$970	$965	$1,109	[illegible]	-13%
Bronx	$272	$230	$135	18%	101%
Brooklyn	$459	$484	$500	-5%	-8%
Queens	$370	$353	$391	5%	-5%
Staten Island	$261	$267	$269	-2%	-1%
AVG PPSF					
	4q09	3q09	4q08	3q09	4q08
New York City	$843	$844	$890	0%	-5%
Manhattan	$1,152	$1,109	$1,279	4%	-10%
Bronx	$266	$268	$213	-1%	25%
Brooklyn	$517	[illegible]	$556	2%	-7%
Queens	$458	$441	$442	4%	4%
Staten Island	$284	$242	$287	17%	-1%
MEDIAN PPSF					
	4q09	3q09	4q08	3q09	4q08
New York City	$721	$818	$812	-12%	-11%
Manhattan	$1,029	$1,018	$1,183	2%	-13%
Bronx	$257	$239	$199	8%	29%
Brooklyn	$522	$517	$524	1%	0%
Queens	$438	$422	$441	4%	-1%
Staten Island	$257	$238	$271	8%	-5%
SALES					
	4q09	3q09	4q08	3q09	4q08
New York City	2,929	2,119	1,724	38%	70%
Manhattan	1,542	1,240	912	24%	69%
Bronx	104	73	72	42%	44%
Brooklyn	780	434	377	80%	107%
Queens	411	297	212	38%	94%
Staten Island	92	75	151	23%	-39%

Note: sale price in thousands

The following table shows the average condominium sales price broken down by neighborhood. The subject neighborhood has a fourth quarter 2009 average condominium sales price of $1,742,000; this is 10% below third quarter 2009 and 14% below fourth quarter 2008 numbers. The median condominium sales price for the Upper East Side is $1,028,000; this is 3% above third quarter 2009 and 11% below fourth quarter 2008 number. The data is presented below:

Condominium Sale Price

Average

	4q09	3q09	4q08	Percent Change 3q09	Percent Change 4q08
Manhattan	**$1,665**	**$1,513**	**$1,781**	**10%**	**-7%**
Battery Park City	$1,421	$1,415	$995	0%	43%
Chelsea/Flatiron	$1,943	$1,430	$1,782	36%	9%
East Harlem	$575	$642	$805	-11%	-29%
East Village	$1,325	$1,698	$1,286	-22%	3%
Financial/Seaport	$890	$907	$903	-2%	-1%
Gramercy/Kips Bay	$1,771	$1,212	$1,915	46%	-7%
Greenwich Village	$1,653	$1,900	$1,991	-13%	-17%
Inwood	$244	n/a	n/a	n/a	n/a
Lower East Side	$1,215	$774	$832	57%	46%
Midtown East	$1,471	$1,328	$1,431	11%	3%
Midtown West	$1,173	$1,362	$1,493	-14%	-21%
Morningside Heights	n/a	$1,955	$3,000	n/a	n/a
Murray Hill	$740	$856	$834	-14%	-11%
Roosevelt Island	$648	$492	$413	32%	57%
SoHo	$2,916	$3,107	$3,722	-6%	-22%
TriBeCa	$2,182	$2,858	$2,919	-24%	-25%
Upper East Side	$1,742	$1,933	$2,031	-10%	-14%
Upper West Side	$1,879	$1,865	$2,032	1%	-8%
Washington Heights	$381	$389	$520	-2%	-27%
West Harlem	$557	$605	$587	-8%	-5%
West Village	$4,367	$1,636	$3,530	167%	24%

Median

	4q09	3q09	4q08	Percent Change 3q09	Percent Change 4q08
Manhattan	**$970**	**$965**	**$1,109**	**1%**	**-13%**
Battery Park City	$995	$1,220	$699	-18%	42%
Chelsea/Flatiron	$1,110	$1,200	$1,655	-8%	-33%
East Harlem	$500	$510	$805	-2%	-38%
East Village	$1,050	$1,200	$1,450	-13%	-28%
Financial/Seaport	$803	$773	$729	4%	10%
Gramercy/Kips Bay	$1,445	$980	$1,519	47%	-5%
Greenwich Village	$1,650	$1,621	$1,725	2%	-4%
Inwood	$244	n/a	n/a	n/a	n/a
Lower East Side	$694	$532	$755	30%	-8%
Midtown East	$999	$805	$1,075	24%	-7%
Midtown West	$794	$803	$905	-1%	-12%
Morningside Heights	n/a	$1,955	$3,000	n/a	n/a
Murray Hill	$770	$756	$825	2%	-7%
Roosevelt Island	$650	$470	$413	38%	57%
SoHo	$2,650	$2,290	$3,538	16%	-25%
TriBeCa	$2,000	$2,451	$2,625	-18%	-24%
Upper East Side	$1,028	$1,000	$1,150	3%	-11%
Upper West Side	$1,071	$997	$1,030	7%	4%
Washington Heights	$398	$341	$513	17%	-22%
West Harlem	$490	$550	$490	-11%	0%
West Village	$3,010	$1,594	$1,332	89%	126%

Note: sale price in thousands

Local Neighborhood and Market Analysis

Overall, the residential condominium market has been tempered both in terms of volume and price by the current economic downturn. However, there are some indicators that the market is beginning to turn around. This will depend on the speed of the job recovery.

In addition to an overview of the Manhattan residential condominium market, we have also reviewed recent condominium conversions in the subject neighborhood to establish the velocity of absorption. There were three new condominium buildings constructed and one condominium conversion in the subject neighborhood during the last several years. The data is summarized on the next page:

Local Neighborhood and Market Analysis

CONDOMINIUM ABSORPTION RATES

Property Address	Neighborhood	# of units	# of 2008 sales	Average Sales Price	Average Price/SF	# of 2009 sales	Average Sale Price	Average Price/SF	# of 2010 Sales	Average Sales Price	Average Price/SF	Comments
255 East 74th St	Upper East Side	76	21	$ 3,014,776	$ 1,572	46	$ 4,092,166	$ 1,701	1	$ 6,600,000	$ 1,103	Located on 74th between Third and Second Avenues. Marketing for 2.5 years. First closing Nov 2008. Estimated quarterly absorption rate of 7 units per quarter. The property is 30 stories high, built in 2007. It features a playroom and garden, modern finishes and spacious apartments with high-end finishes.
300 East 79th St	Upper East Side	34	11	$ 2,116,909	$ 1,437	7	$ 1,266,314	$ 1,086	2	$ 1,281,133	$ 1,104	Located at the corner of Second Avenue and 79th St. Marketing for 30 months. First closing May 2008. Estimated quaterly absorption rate of 2 units. The property is 18 stories high, built in 2007. It features a gym, playroom, modern finishes, high-end finishes, smaller units.
40 East 66th St	Upper East Side	34	4	$ 6,475,000	$ 2,647	9	$ 7,955,556	$ 2,610	5	$ 7,394,895	$ 2,452	Located at the corner of 66th St and Madison Avenue. Marketing for 24 months. First closing October 2008. Estimated quaterly absorption rate of 3 units. The property is 13 stories high and was originally built in 1929. It was converted in 2008. The property featues a playroom, gym, spacious units with high end finishes.
400 East 67th St	Upper East Side	130	10	$ 1,732,043	$ 1,468	29	$ 2,679,483	$ 1,713	9	$ 2,209,574	$ 1,421	Located at the corner of 67th St and First Avenue. Marketing for 30 months. First closing December 2008. Estimated quarter absorption rate of 5 units. The property is 30 stories high and was built in 2007-08. It features a playroom, gym, and average sized units with good quality finishes.

The new developments presented above have absorption rates ranging from 2 to 7 units per quarter. Since the subject property is most similar to 40 East 66th Street, we have estimated an absorption rate of 3 units per quarter for the subject property's residential condominium units.

Condominium Market-Commercial

Due to the fact that the subject property contains two commercial condominiums, we have also researched the commercial condominium market in Manhattan. Below is a summary of the sales volume as well as the total consideration for the transactions during the last 14 years.

Manhattan Commercial Condominium Sales (millions of dollars)

Year	Number of Sales	Total Consideration
1996	112	$717.5
1997	245	$333.5
1998	256	$636.4
1999	1,310	$970.8
2000	470	$1,920.3
2001	188	$1,301.6
2002	426	$2,396.2
2003	1,358	$2,631.6
2004	1,411	$1,791.5
2005	256	$1,101.5
2006	169	$1,090.6
2007	332	$3,955.0
2008	447	$2,923.0
2009*	236	$953.0

*First eleven months

2005-2008 do not include the sale of hotel units, parking spaces, or storage facilities

Source The Real Estate Board of New York

We have also researched all the transactions in Manhattan from April 2009 through April 2010. They are summarized on the following page:

Local Neighborhood and Market Analysis

Neighborhood	# of Sales	Average Sales Price	Average Price Per SF
CHELSEA	3	$ 1,570,587	$ 773
CHINATOWN	65	$ 1,191,956	$ 1,517
CIVIC CENTER	2	$ 2,023,444	$ 464
FASHION	5	$ 3,954,672	$ 1,232
FINANCIAL	2	$ 1,775,000	$ 408
FLATIRON	2	$ 1,570,670	$ 372
GREENWICH VILLAGE-CENTRAL	3	$ 6,533,333	$ 918
HARLEM-CENTRAL	1	$ 5,500,000	$ 108
KIPS BAY	1	$ 10,275,000	$ 279
LOWER EAST SIDE	1	$ 5,666,375	$ 580
MIDTOWN CBD	10	$ 14,316,713	$ 1,088
MIDTOWN EAST	9	$ 3,882,977	$ 669
MIDTOWN WEST	3	$ 1,759,923	$ 463
MURRAY HILL	2	$ 1,250,753	$ 855
SOHO	7	$ 2,629,286	$ 959
TRIBECA	8	$ 3,216,691	$ 979
UPPER EAST SIDE (59-79)	8	$ 5,422,869	$ 914
UPPER WEST SIDE (59-79)	10	$ 3,685,698	$ 1,803
WASHINGTON HEIGHTS LOWER	1	$ 2,318,062	$ 559

As demonstrated by the tables above, sales volume for commercial condominiums has been light. In addition, the average amount of per transaction has decreased during this current economic downturn as well. According to local market professionals, commercial condominiums less than 5,000 square feet in area require approximately 6 months to sell. Larger condominiums require approximately 12 months to sell.

Trends: The Upper East Side has always been considered one of the most exclusive places to live in Manhattan. Although prices and sales volume have fallen for both residential and commercial condominiums, there have been some indicators that since fourth quarter 2009 the trend has stabilized and started to turn upward. As the New York City economy continues to improve, we expect the Upper East Side to rebound quickly and continue moderate growth.

Conclusion: The subject site is well located within the Upper East Side submarket of an affluent urban community. The subject benefits from its location in an area which has seen recent redevelopment of commercial and residential space.

Major Retail Lease Activity

According to the Real Estate Board of New York, average asking rents have declined in most of the retail corridors surveyed, according to the Fall 2009 report, reflecting the impact of the global recession on the local economy as well as a market corrections from all-time high retail rents. High traffic, high profile area such as Time Square and Fifth Avenue and trendy location like the Meatpacking District and SoHo have continued to fare relatively well.

Major retail stores are doing better in their urban location, such as New York, than they are doing in their suburban mall locations, according to the Advisory Group. There continues to be activity in the marketplace as tenants like Kohls, TJMaxx, Whole Foods, Nordstrom, CB2, and Trader Joes are looking for initial or additional locations. More importantly, deals are being done, such as MAC Cosmetics and Swarovski in Times Square, Espirit on 34th Street, JC Penney in Herald Square, Nordstrom Rack in Union Square and Duane Read and CVS throughout the city. In addition, restaurants, especially quick service and sandwich shops, are also opening all over town. However, the lack of capital financing for tenant improvements, typically high in retail stores ($200 per square foot is not uncommon), has been a mild drag on activity and deal making.

One positive aspect of the decline in asking rent is the return of tenants (Citibank, Apple Bank, Apple and Beach Bum Tanning) that were priced out of New York two years ago during the surge in retail rents. In addition, other tenants see this as an opportunity to find more prominent locations on popular retail corridors. Retailers in the market can expect to find owners offering more free rent and work to induce tenants to make details now than they were two years ago.

According to the Advisory Group, in prime locations where demand is still strong and vacancies are few, like Times Square and upper Fifth Avenue, asking rents in-line with the height of the market may still be appropriate. In other instances, owners recognize the change in the economy, but until the market stabilizes they are unwilling to guess about what the new asking rent should be. In other situations, owners want to retain a higher base rent but are prepared to provide incentives that would lower the effective rent to a level where a deal is achievable.

As demonstrated by the table on the following page, the average asking rent is Manhattan as of fall 2009 was $117 per square foot. The Upper East Side's three retail corridors (Madison Avenue between 57th Street and 72nd Street, Third Avenue between 60th Street and 72nd Street, and East 86th Street between Lexington Avenue and Second Avenue) have an average rent of $919/SF, $261/SF, and $363/SF, respectively. This is lower than the fall 2008 average asking rent for each corridor ($1,143/SF, $287/SF, $475/SF, respectively).

While there is expected to be some downward pressure on rents throughout 2010 as landlords scramble to fill long term vacancies, brokers expect it to be in the form of rent credits and tenant improvements rather than significant decreases in rents. In addition, landlords are becoming increasingly flexible in terms of the tenant choice and subdividing larger spaces. Overall, the Manhattan retail market is expected to weather this current recession relatively well.

The average and median asking rents for the major retail corridors in Manhattan are summarized below:

Retail Rental Rates for Selected Manhattan Locations (Ground Floor Only)

	Average		Median		Range			Range		
	Fall 09	Fall 08	Fall 09	Fall 08	Fall 09			Fall 08		
Eastside										
Madison Ave: 57 - 72 St	$919	$1,143	$875	$1,140	$530	-	$1,500	$704	-	$1,667
Third Ave: 60 - 72 St	$261	$287	$260	$300	$150	-	$347	$184	-	$503
East 86 St: Lexington Ave - 2nd Ave	$363	$475	$375	$450	$275	-	$450	$325	-	$781
Westside										
Broadway: 72 - 86 St	$285	$309	$263	$316	$200	-	$400	$168	-	$450
Columbus Ave: 66 - 79 St	$229	$300	$245	$300	$127	-	$300	$131	-	$447
Midtown										
East 57 St: 5 Ave - Park Ave	$600	$600	$600	$600	$400	-	$800	$400	-	$800
Fifth Ave: 42 - 49 St	$457	$550	$450	$550	$300	-	$600	$300	-	$800
Fifth Ave: 49 - 59 St	$2,050	$1,400	$2,100	$1,250	$1,500	-	$2,500	$1,200	-	$2,500
Broadway & 7 Ave: 42 - 47 St	$821	$775	$593	$775	$550	-	$1,400	$550	-	$1,000
Midtown South										
Flatiron Fifth Ave: 14 - 23 St	$255	$276	$250	$271	$200	-	$325	$238	-	$325
Herald Square West 34 St: 5 - 7 Ave	$421	$643	$500	$640	$202	-	$595	$500	-	$791
Downtown										
Meatpacking 14 St: 9 - 10 Ave	$375	$304	$400	$300	$300	-	$400	$250	-	$400
Financial District Broadway: Battery Park - Chambers St	$189	$251	$150	$200	$100	-	$320	$100	-	$500
SoHo Broadway: Houston - Broome St	$483	$432	$438	$400	$243	-	$1,000	$220	-	$800
West Village Bleeker St: 7 Ave South - Hudson St	$352	$362	$295	$304	$81	-	$667	$130	-	$800
Upper Manhattan										
Harlem 125th St. (River to River)	$116	$125	$112	$115	$35	-	$200	$80	-	$222

Source: Fall 2009 Retail Report, The Real Estate Board of New York, Inc.

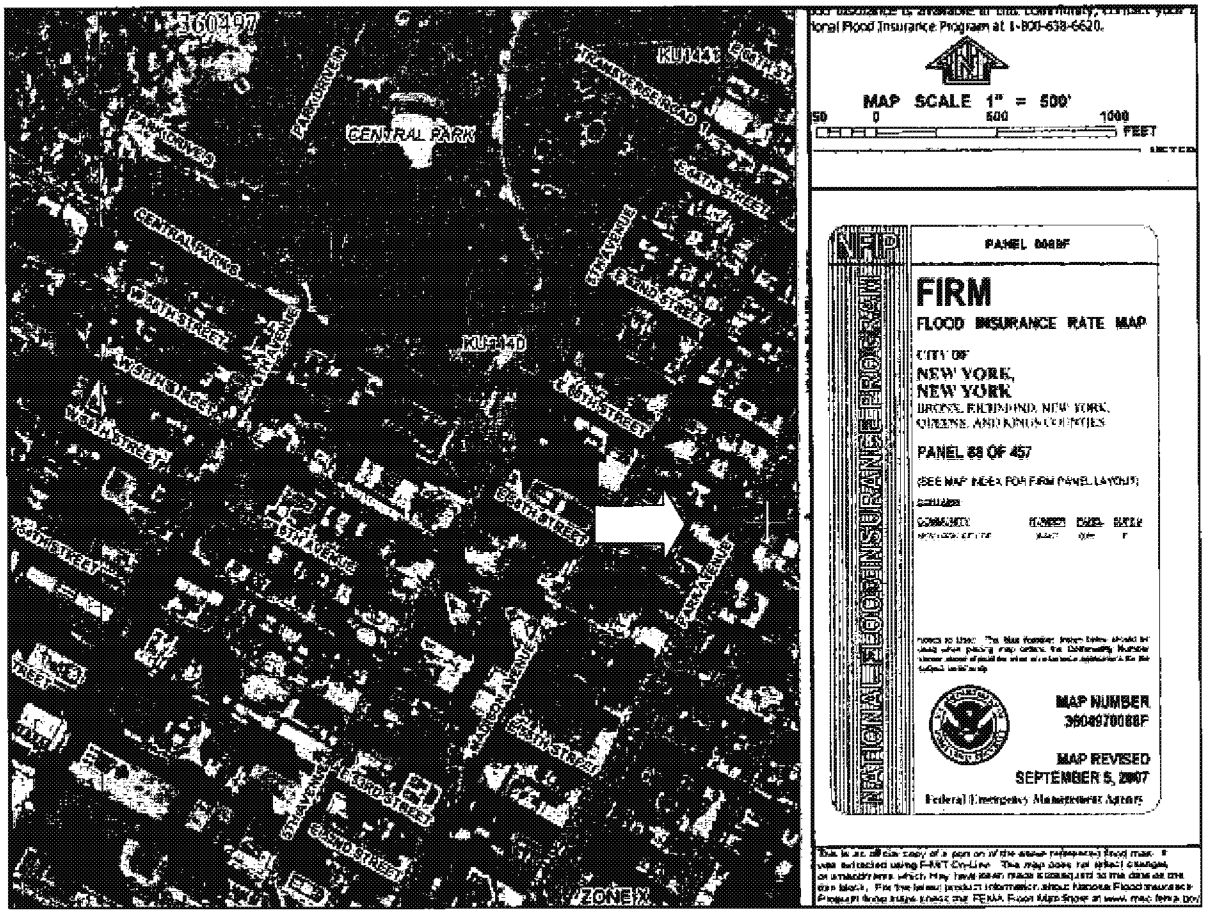
Site Characteristics

In the site description the off-site, as well as on-site, improvements that make the site ready for its intended use or development are described. Any on-site improvements that add to or detract from a property's probable optimum use are noted. The quality, condition, and adequacy of sewers, curbs, utility hookups, and other improvements influence a site's use and value. This section describes land improvements such as grading, landscaping, fences, curbs, gutters, paving, walks, roads, and other man-made land improvements. The value of site improvements is typically considered part of site value.

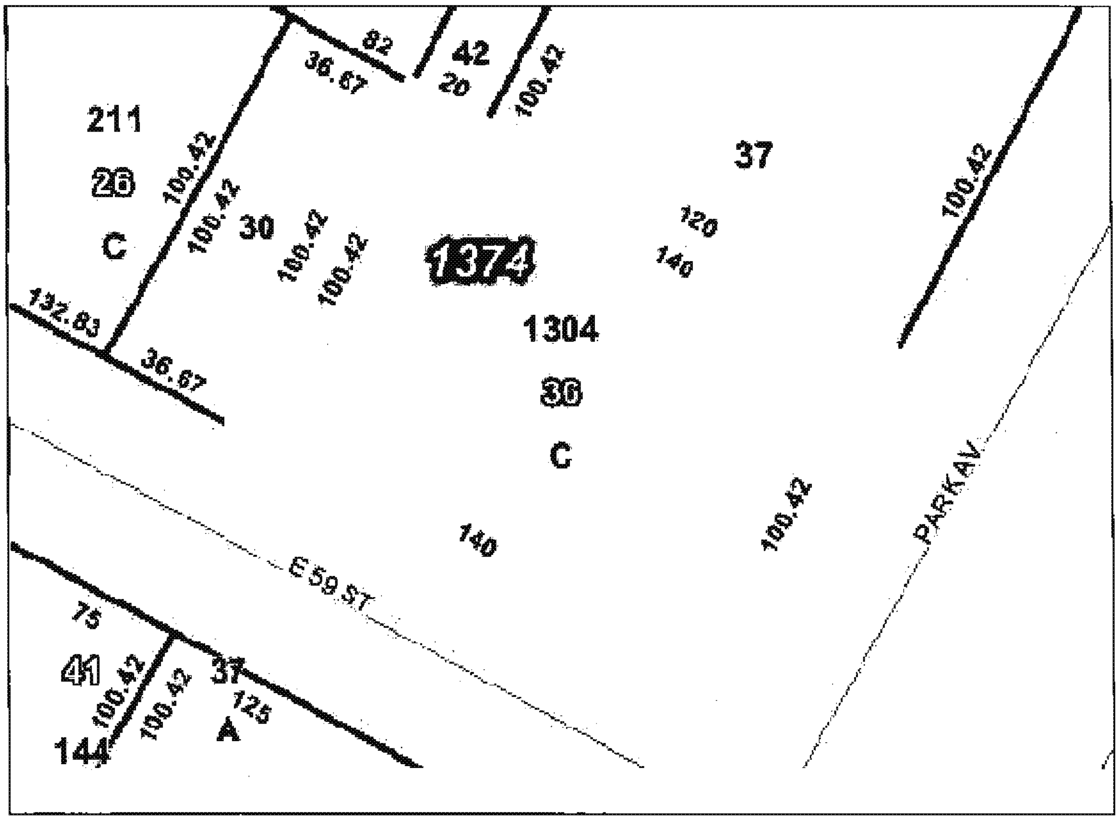
Shape	Rectangular
Size	0.32' Acres or 14,059 square feet
Frontage	100.42' feet on Park Avenue, 140' feet on 59th Street
Depth	140 feet
Ingress / Egress:	There is no vehicular access to the property. Pedestrian access is via frontage along both Park Avenue and 59th Street.
Parking:	No on-site parking
Easements	None noted. However, we were not provided with a survey.
Topography & Terrain:	The site is generally level. Independent verification of environmental conditions is recommended. No adverse soil conditions were apparent at the time of inspection and based on the existence of other neighboring structures, the load bearing qualities of the soil appear adequate.
Flood Plain:	The site is located in flood zone X or "areas outside limits of the 500-year flood" according to FIRM (Flood Insurance Rate Map) map number 3604970088F, dated September 5, 2007.

Site Characteristics

Flood Map



Tax Map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Site Characteristics

Overall, the physical characteristics of the site are good. The parcel is rectangular in shape and features a generally level topography which is at grade with the surrounding roadways. The property possesses 100.42 feet of frontage along Park Avenue and 140 feet of frontage along 59th Street. There is no onsite parking. The improvements occupy the majority of site's area.

Utilities

The major utilities to be considered are sanitary sewers; domestic water; natural gas; electricity; storm drainage; telephone service; and cable television.

All utilities are available to the subject property.

Utilities	Electricity	Gas	Water	Sewer	Telephone	Police & Fire
Provided By:	ConEd	ConEd	Public-NYC	Public-NYC	Verizon	New York City

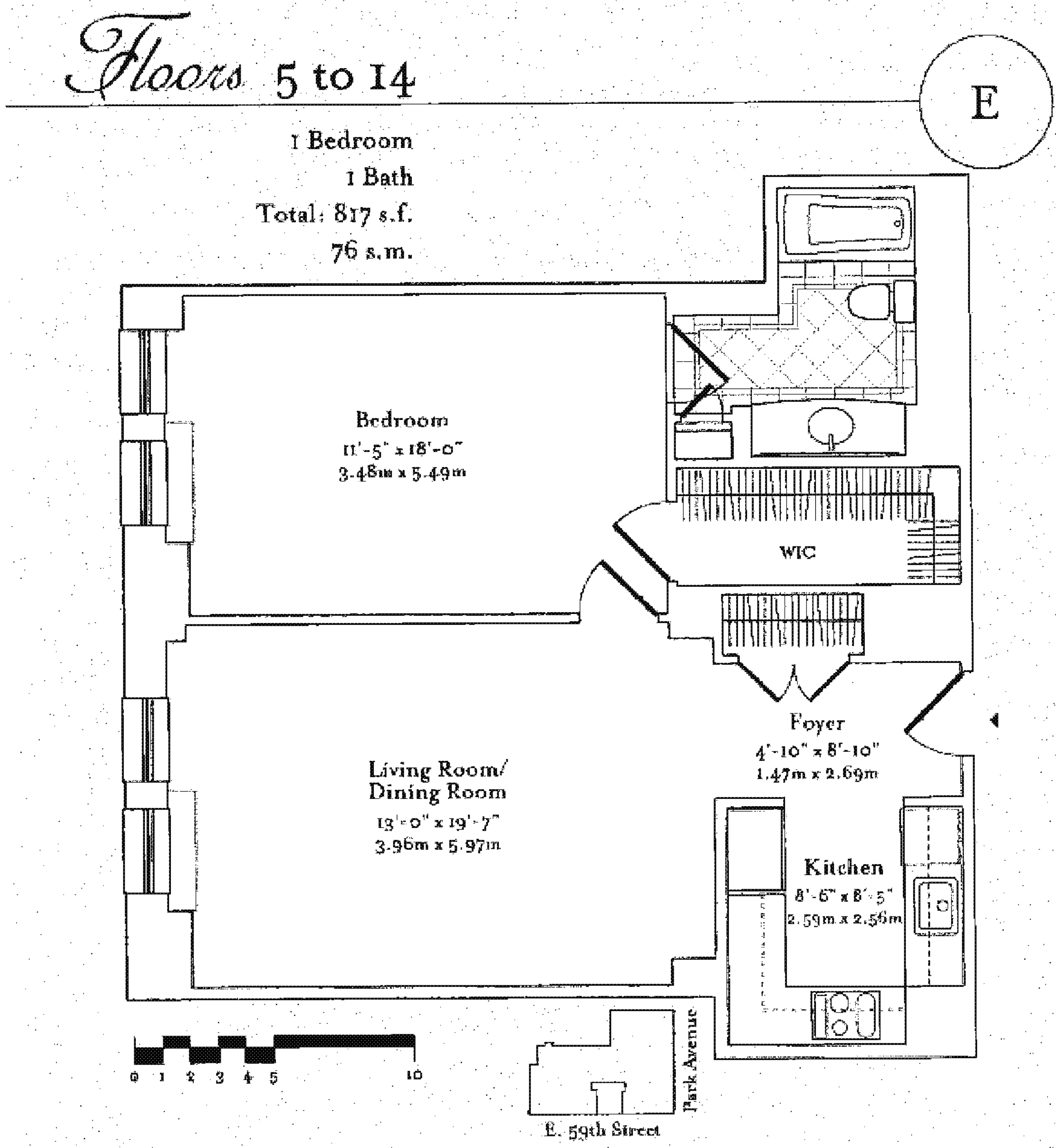
Property Description

General Description: The subject property consists of 2 commercial condominium units occupying a portion of the ground, basement and second floors, 23 residential condominiums units located in various parts of the subject building and 6 storage condominium units located in the basement. Each of the subject units is located within Trump Park Avenue, a 32-floor, luxury condominium building. It was originally built in 1929 and converted to condominiums and renovated in 2003. The building was in very good condition at time of inspection.

Design & Layout: Each of the retail spaces has a separate entrance from the street. The Capital One occupies the corner of the building with frontage on both 59th Street and Park Avenue. The New York Sports Club space has frontage on 59th Street and occupied a portion of the basement (locker rooms), first floor (reception/workout area), mezzanine (aerobics room), and second floor (workout area).

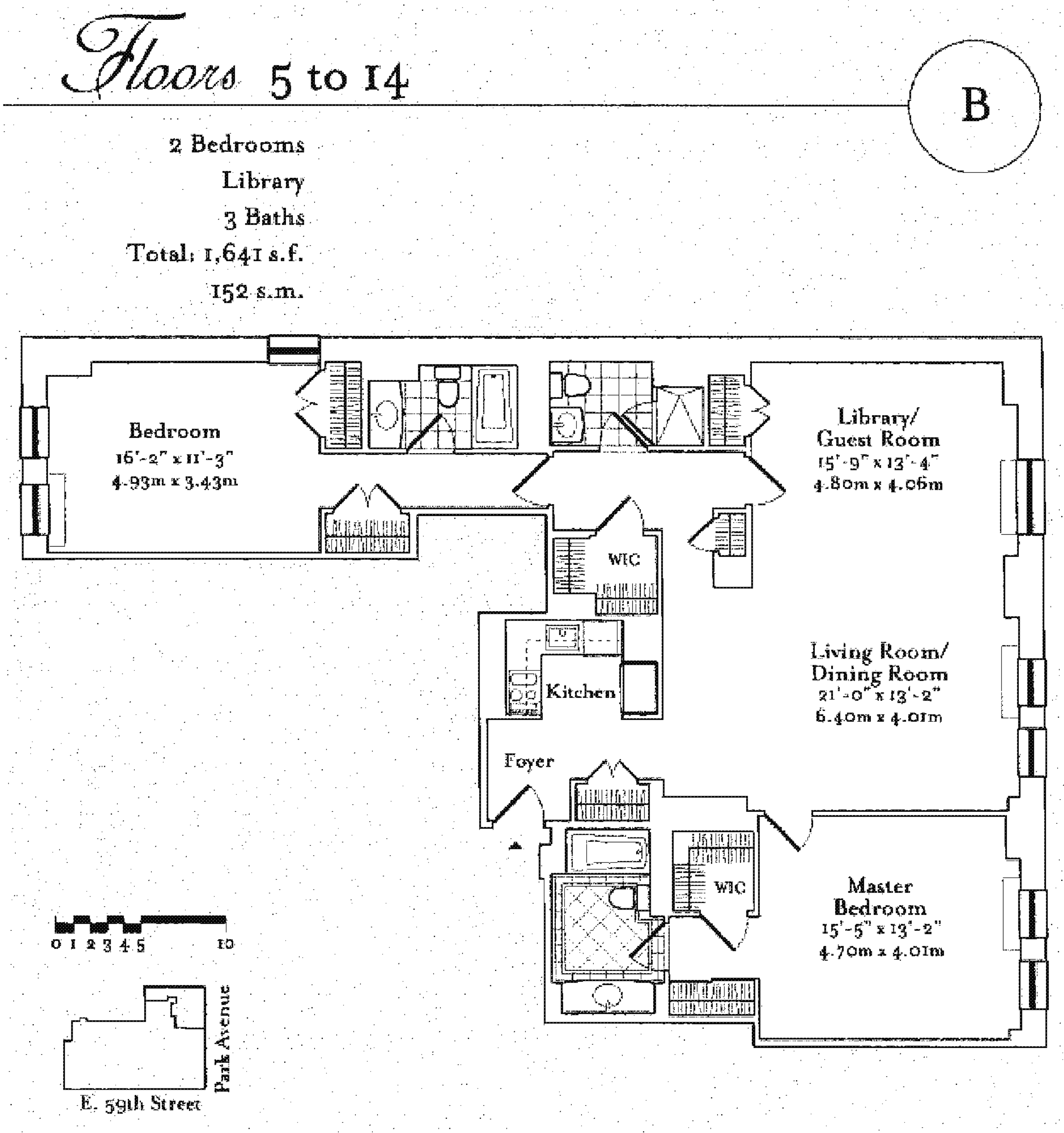
The residential units have one main entrance with a grand foyer and four elevators, along with a service elevator. Three of the elevators service from the second through the nineteenth floors. The fourth elevator is reserved for the seven penthouse units. Each penthouse unit has a private key swipe access to their unit.

Units range from one-bedroom (approximately 750 square feet) to duplex penthouse (6,299 square feet) with four bedroom, 6.5 bathrooms and a 1,600 square foot terrace. Each of the residential units (except penthouse 31/32) are single-floor units. Penthouse 31/32 is a duplex. Several sample floor plans are provided on the following pages.



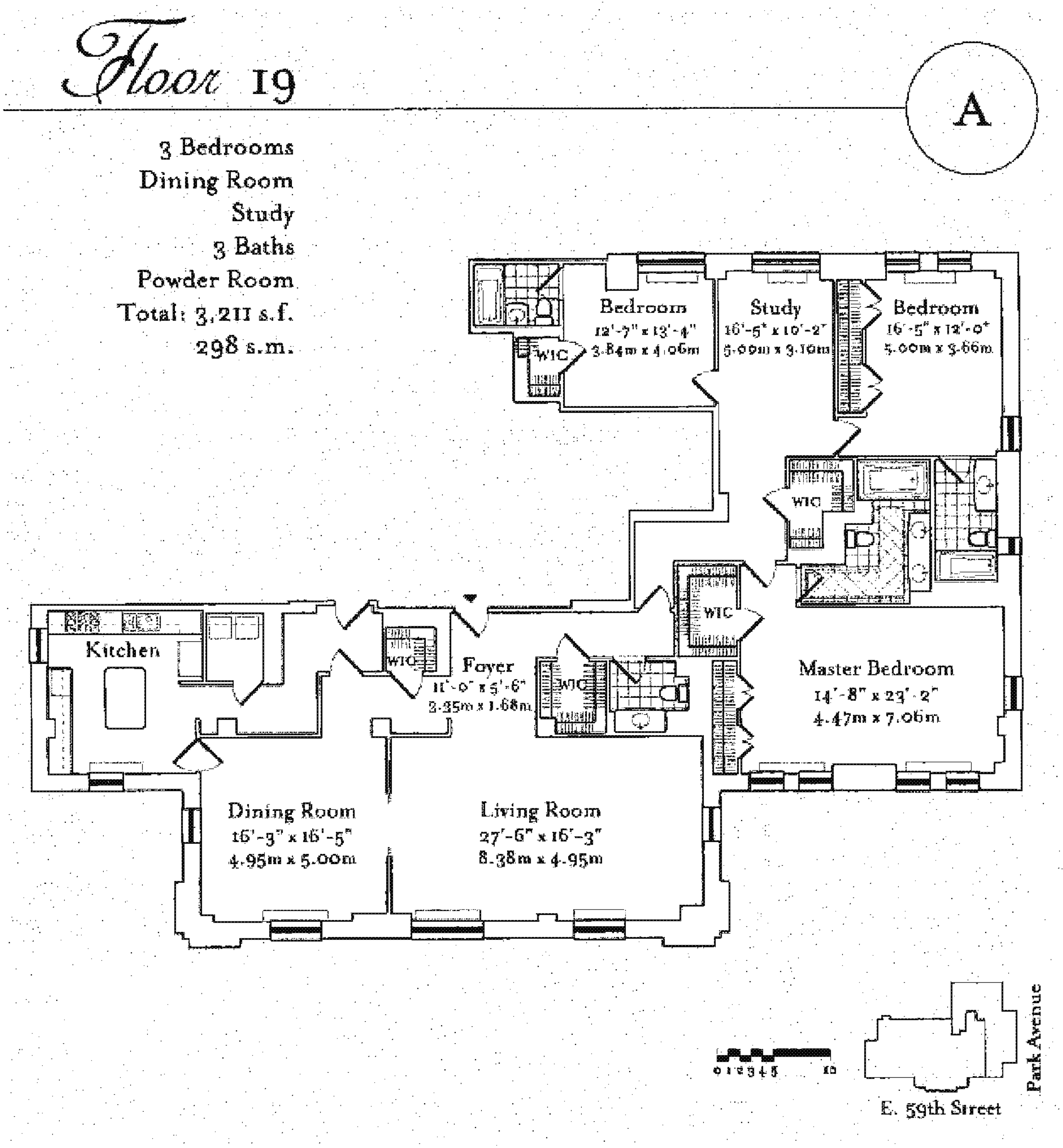
Please note that this is a sample one-bedroom floor plan for the E line. The subject property includes 11 one-bedroom units ranging in size from 679 square feet to 1,149 square feet.

Property Description



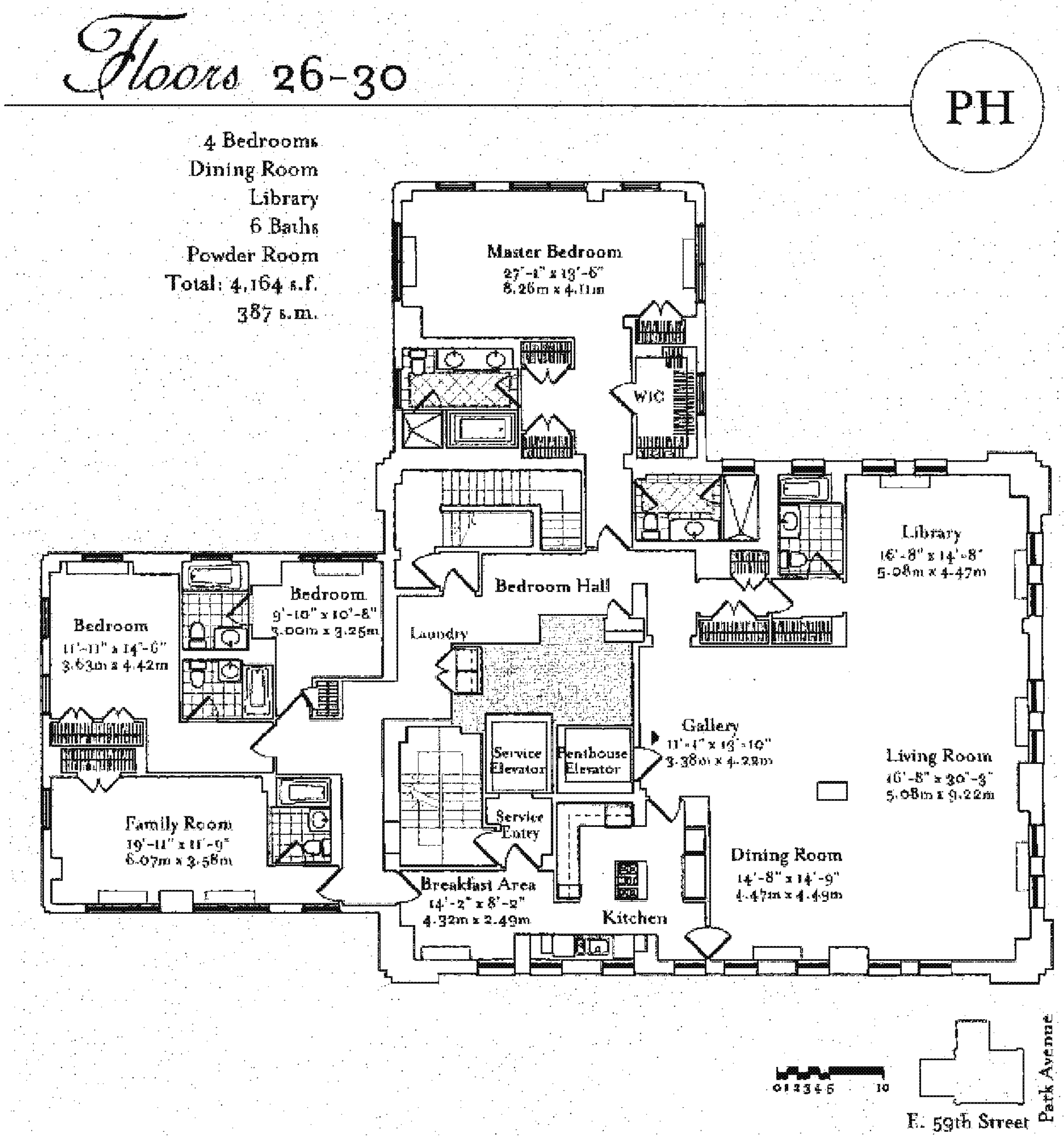
Please note that this is a sample two-bedroom floor plan for the B line. The subject property contains four two-bedroom units ranging from 1,542 square feet to 1,641 square feet.

Property Description



Please note that this is a floor for the subject property's only three bedroom unit: Unit 19A.

Property Description



This is a typical layout for the penthouse floors 26-30.

Property Description

Below is a summary of each subject unit:

SUBJECT DESCRIPTION				
Unit #	Unit SF	Unit Type	Block	Lot
		Residential Units		
3B	4,614	8-4-6.5	1374	1131
4A	1,149	3-1-1	1374	1132
6B	1,638	5-2-2.5	1374	1145
6C	743	3-1-1	1374	1146
7A	717	3-1-1	1374	1153
7B	1,641	5-2-2.5	1374	included in 1153
7D	1,546	3-1-1	1374	1155
7E	795	3-1-1	1374	1156
7G	1,542	5-2-2	1374	1158
8E	1,017	3-1-1	1374	1165
8H	679	3-1-1	1374	1168
10E	810	3-1-1	1374	1183
12E	817	3-1-1	1374	1202
12J	693	3-1-1	1374	1206
15AB	2,408	5-2-2	1374	1218
19AB	3,211	7-3-3.5	1374	1247
PH20	7,132	13-7-8	1374	1251
PH21	7,132	13-7-8	1374	1252
PH23	6,224	11-5-6.5	1374	1254
PH24	6,192	11-5-6.5	1374	1255
PH27	4,164	7.5-4-5.5	1374	1258
PH28	4,164	7.5-4-5.5	1374	1259
PH31	6,299	7-5-6	1374	1262
TOTAL	65,327			
		Commercial Units		
CAPITAL ONE	3,800	Commercial	1374	1164
NYSC	15,435	Commercial	1374	1128
TOTAL	19,235			
		Storage Units		
ST10	33	Storage	1374	1110
ST12	33	Storage	1374	1112
ST13	33	Storage	1374	1113
ST15	58	Storage	1374	1115
ST20	49	Storage	1374	1120
ST25	45	Storage	1374	1125
TOTAL	**84,813**			

Property Description

Age & Condition: The existing improvements are in very good condition with no deferred maintenance noted. The existing improvements were constructed in 1929. They were substantially renovated in 2003. Please note that the rent stabilized units (4A, 7A, 7E, 7G, 8H, 10E, and 12E) were only partially renovated at the time of conversion.

Deferred Maintenance: None noted.

Functional Utility: The subject property has functional utility as a condominium building. That is demonstrated by the healthy demand from the market.

Improvement Description

Gross Building Area	±84,813 square feet
Net Rentable Area	±84,813 square feet
Year Built	1929/2003 converted into condominium
Effective Age	10 years
Foundation:	Concrete Block
Exterior Wall:	Limestone/Brick
Roof	Various roof levels- mainly flat, rubber roofs with tile covering.
Heating:	Steam radiators from central steam
Air Conditioning:	Central AC
INTERIOR FINISH	
Floors:	Commercial- Mixture hardwood, linoleum, marble tile
	Residential- Mixture of hardwood, carpet
Walls:	Sheetrock
Ceilings:	Sheetrock
Lighting:	Attached and hanging fluorescent
Elevator	4 passenger elevators and 1 service elevator
Sprinkler	100% sprinklered
Bathrooms:	The bank has one bathroom, the gym has two four-stall

baths and each unit has the amount of bathrooms noted on the subject description table.

Conclusion: The property was in very good condition at time of inspection. There was no deferred maintenance noted. Overall, the property has functional utility.

Taxes And Assessments

Existing assessment trends or prospective changes in tax rates were analyzed. Current assessed values and ad valorem tax rates are reported as of the date of inspection and a calculation of the current annual tax load of the subject property is included. [9]

"Assessed value applies in *ad valorem taxation* and refers to the value of the property according to the tax rolls. Assessed value may not conform to market value, but it is usually calculated in relation to a Market Value base." [10]

Current Taxes

As of the date of value, the 2010/11 assessed values were available. However, only the 2009/10 tax rate was published. We have estimated the taxes for a stabilized year based on the 2010/11 assessed values and the 2009/10 tax rate. It is summarized on the following page:

9 **The Appraisal of Real Estate, 10th ed. (Chicago: Appraisal Institute, 1992), p. 578.**

10 **The Appraisal of Real Estate, 10th ed. (Chicago: Appraisal Institute, 1992), p. 24.**

Taxes And Assessments

SUBJECT TAX BURDEN

Unit #	Unit SF	Block	Lot	2010/11 Market Value	2010/11 Assessment	2009/10 Tax Rate	Estimated Tax Burden
3B	4,614	1374	1131	$ 815,422.00	$ 366,985.00	13.241%	$ 48,592.48
4A	1,149	1374	1132	$ 220,739.00	$ 99,333.00	13.241%	$ 13,152.68
6B	1,636	1374	1145	$ 312,081.00	$ 140,436.00	13.241%	$ 18,595.13
6C	743	1374	1146	$ 141,360.00	$ 63,612.00	13.241%	$ 8,422.86
7A/7B	717	1374	1153	$ 445,826.00	$ 200,622.00	13.241%	$ 26,564.36
7D	1,546	1374	1155	$ 355,021.00	$ 159,759.00	13.241%	$ 21,153.69
7E	795	1374	1156	$ 129,398.00	$ 58,229.00	13.241%	$ 7,710.10
7G	1,542	1374	1158	$ 224,002.00	$ 100,801.00	13.241%	$ 13,347.06
8E	1,017	1374	1165	$ 170,171.00	$ 76,577.00	13.241%	$ 10,139.56
8H	679	1374	1168	$ 92,426.00	$ 41,592.00	13.241%	$ 5,507.20
10E	810	1374	1183	$ 143,527.00	$ 64,587.00	13.241%	$ 8,551.96
12E	817	1374	1202	$ 153,862.00	$ 69,238.00	13.241%	$ 9,167.80
12J	693	1374	1206	$ 104,929.00	$ 47,218.00	13.241%	$ 6,252.14
15AB	2,408	1374	1218	$ 554,568.00	$ 249,556.00	13.241%	$ 33,043.71
19AB	3,211	1374	1247	$ 942,751.00	$ 424,238.00	13.241%	$ 56,173.35
PH20	7,132	1374	1251	$ 2,174,734.00	$ 978,630.00	13.241%	$ 129,580.40
PH21	7,132	1374	1252	$ 1,957,268.00	$ 880,771.00	13.241%	$ 116,622.89
PH23	6,224	1374	1254	$ 1,957,268.00	$ 880,771.00	13.241%	$ 116,622.89
PH24	6,192	1374	1255	$ 1,902,895.00	$ 856,303.00	13.241%	$ 113,383.08
PH27	4,164	1374	1258	$ 1,304,847.00	$ 587,181.00	13.241%	$ 77,748.64
PH28	4,164	1374	1259	$ 1,332,029.00	$ 599,413.00	13.241%	$ 79,368.28
PH31	6,299	1374	1262	$ 3,262,107.00	$ 1,467,948.00	13.241%	$ 194,370.99
TOTAL	**59,072**			**$ 18,697,231.00**	**$ 8,413,800.00**		**$ 1,114,071.26**
CAPITAL ONE	3,800	1374	1264	$ 2,487,995.00	$ 972,532.00	10.426%	$ 101,396.19
NYSC	15,435	1374	1128	$ 5,218,342.00	$ 2,046,118.00	10.426%	$ 213,328.26
TOTAL	**19,235**			**$ 7,706,337.00**	**$ 3,018,650.00**		**$ 314,724.45**
ST10	33	1374	1110	$ 2,666.00	$ 1,200.00	10.426%	$ 125.11
ST12	33	1374	1112	$ 2,756.00	$ 1,240.00	10.426%	$ 129.28
ST13	33	1374	1113	$ 2,994.00	$ 1,347.00	10.426%	$ 140.44
ST15	58	1374	1115	$ 5,099.00	$ 2,295.00	10.426%	$ 239.28
ST20	49	1374	1120	$ 3,642.00	$ 1,639.00	10.426%	$ 170.88
ST25	45	1374	1125	$ 7,607.00	$ 3,423.00	10.426%	$ 356.88
TOTAL	**251**			**$ 24,764.00**	**$ 11,144.00**		**$ 1,161.87**
GRAND TOTAL	**78,558**			**$ 26,428,332.00**	**$ 11,443,594.00**		**$ 1,429,957.58**

Based on conclusion of the appraisal report, the subject property appears to be favorably assessed.

Subject Sales History

Historical property data may include information on original assemblage, acquisition, or construction costs; expenditures for capital additions or modernization; financial data or transfers of ownership; casualty loss experience; history and type of occupancy; reputation or prestige; and any other facts that may pertain to or affect the computations, estimates, or conclusions presented in the report. The appraiser also investigates the previous history of ownership and use of the property for possible environmental problems. The most recent sale of the subject property is discussed as well as any other sales transacted within the past three years. For properties other than single-family residences, existing or former leases are analyzed along with any offers to sell or purchase.[11]

The subject units are owned by Trump Park Avenue, LLC. They have been under current ownership in excess of five years.

Penthouse 31 (Block 1374 Lot 1262) is currently listed for sale at $31,000,000. It has been on the market for approximately 2 years.

No other transactions involving the subject units have occurred within the last five years.

11 **The Appraisal of Real Estate, 10th ed. (Chicago: Appraisal Institute, 1992), p. 578.**

Zoning

Land use and development may be regulated by city or county government, but it is also often subject to regional, state, and federal controls as well. In analyzing zoning and building codes, an appraiser considers all current regulations and the likelihood of a change in the code. Usually a zone calls for a general use, such as residential, commercial or industrial, and then specifies a type or density of use. Zoning regulations may control the height and size of buildings, lot coverage, the number of units allowed, parking requirements, sign requirements, building setbacks, and other factors of importance to the highest and best use of the site.

Because land use restrictions and government programs in an area can affect land uses, they can also affect values. The construction of a specific type of property may enhance or detract from the value of the site and or any existing improvements, not to mention neighboring or adjoining uses. One of the criteria for the highest and best use conclusion is that the use must be legally permissible.

For the purpose of this appraisal "zoning" is defined as follows:

> "The public regulation of the character and extent of real estate use through police power; accomplished by establishing districts or areas with uniform restrictions relating to improvements, structure heights, areas, bulk, density of population, and other limitations on the use and development of private property.[12]

The appraiser has studied all the available zoning data and has determined that the subject property is located in the **C5-3, Commercial within the MID Special Midtown District**

Purpose	***C5-3 Restricted Central Commercial District/ MID Special Midtown District***

The purpose of the C5-3 district is intended to provide for all types of office buildings and the great variety of large retail stores and relate activities which occupy the prime retail frontage in the central business district, and which serve the entire metropolitan area. District regulations are designed to provide for continuous retail frontage.

Special Midtown District was established to strengthen the business core of Manhattan, improve pedestrian access throughout Midtown, and to improve the quality of new development.

12 The Dictionary Of Real Estate Appraisal, 2nd ed. (Chicago: American Institute Of Real Estate Appraisers, 1989), p. 330.

Principal Permitted Uses — C5-3/MID

- Single-family homes
- All other residential uses
- Community facilities: colleges, dormitories, schools, libraries, houses of worship, community centers
- Local retail and personal service establishments
- Large area retail
- Department Stores
- Offices

Area, Yard & Bulk Requirements	*C5-3/MID*
	Permitted
Building Height:	85 feet or 6 stories (initial front wall)
Floor Area Ratio	10.0 (residential) 15.0 (commercial) 3.0 (additional MID factor)
Min Front Yard	N/A
Min Side Yard	N/A
Min Rear Yard	20 feet
Min Dwelling Factor	790
Minimum Lot Size	1,700 SF
Min Parking Ratio	None for commercial space 40% for residential space

Parking Requirements

There is no on-site parking. According to the zoning ordinance no on-site parking or off-site parking is required for existing properties. New properties have a requirement that 40% of dwelling units have a parking space.

Conclusion

An analysis of the zoning regulations in regard to the subject improvements indicates that the property does not conform in terms of yard and parking. However, since it was constructed prior to the enactment of current zoning regulations, it is considered to be grandfathered. Therefore, it is a legally non-conforming use.

ZONING MAP

The Highest And Best Use

The objective of the highest and best use analysis is to determine which use or uses produce the greatest return on capital, time and effort. In an appraisal, the concept of highest and best use represents the premise upon which value is based.

The reasoning for the highest and best use analysis is to establish guidelines, for use, that result in the highest return on investment. The process takes into consideration physical and legal restrictions as well as limitations imposed by economic factors.

For the purpose of this appraisal highest and best use is defined as:

Highest and Best Use

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria The Highest and Best Use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability.[13]

The highest and best use conclusion is based upon a deductive process, first considering all uses and then eliminating those that do not meet the four criteria. A highest and best use determination of the subject is reached when all the reasonably probable alternatives have been considered and a conclusion has been reached as to the best among them.

In order to establish the highest and best use of the subject, data is extracted from city, regional and governmental sources relative to the four criteria, and analyzed. The results of the analysis are used to decide what impact this information has on the highest and best use of the subject.

The conclusion of highest and best use of the subject denotes specific parameters for selecting comparable information in the three approaches to value. Therefore, highest and best use is directly related to value.

13 **The Dictionary of Real Estate Appraisal, 2nd ed. (Chicago: American Institute of Real Estate Appraisers, 1989), p. 149.**

Highest and Best Use of Land as Though Vacant

Highest and best use of land or a site as though vacant assumes that a parcel of land is vacant or can be made vacant by demolishing the current improvements. This assumption allows the appraiser to identify all the possible uses that create value. In addition; an accurate estimate of site value can be estimated either by direct comparison to similar sites or by an extraction method from improved sales. This reasoning also dictates that the appraised value of the improvements is based on their actual contribution to the site.

The value of land is generally estimated as though vacant.[14] When land is already vacant, the reasoning is clear; the appraiser values the land as is. When land is not vacant, however, land value depends on how the land can be developed. The highest and best use of land as though vacant is considered in relation to its existing use and all potential uses. In addition; land as though vacant is a fundamental concept of valuation theory, and the foundation for the cost approach.

The highest and best use of the property as vacant is not applicable to the subject property since it does not have an undivided interest in the underlying land.

Highest and Best Use of Property as Improved

There are two reasons to analyze the highest and best use of a property as improved. The first is to identify the appropriate property use that can be expected to produce the highest overall return in relation to the capital invested. This is also the underlying premise for the principal of substitution.

The second reason to estimate the highest and best use of property as improved is to establish the criteria for the comparable selection process. The highest and best use of the property as improved should be the same or similar for each comparable property as for the subject property. Market behavior is essential to the concept of highest and

[14] **Standards Rule 1-3 (b) recognizes "that land is appraised as though vacant and available for development to its highest and best use and that the appraisal of improvements is based on their actual contribution to the site." The comment explains "This guideline may be modified to reflect the fact that, in various legal and practical situations, a site may have a contributory value that differs from the value as if vacant."**

best use therefore, an analysis of the property as improved can determine which market demands create value.[15]

The highest and best use of the land is not applicable in the appraisal of condominium units as the owner of the condos does not have a controlling interest in the property overall.

The highest and best use as improved is the existing use. Unit owners do not have the ability to substantially change the use of their unit due to association rules and regulations.

15 **The Appraisal of Real Estate, 10th ed. (Chicago: Appraisal Institute, 1992), pp. 277-280.**

The Valuation Process

Market Value: The valuation process contains all the steps necessary for this type of assignment. The appraisal process also establishes the methodology for estimating many other forms of value. A specific series of procedures constitutes the valuation process; the application of these procedures depends on the nature of the appraisal assignment and the data available.

Traditional appraisal theory applies three approaches to arrive at an estimate of value. The foundations for these approaches are **Market**, **Cost**, and **Income**. One or more approaches to value may be used depending on their applicability to the particular appraisal assignment. All three approaches are applicable to many appraisal problems, but one or more of the approaches may have greater significance in a specific assignment. Wherever possible, the appraiser applies the approach or approaches deemed most appropriate in order to arrive at a final value estimate.

In an appraisal assignment, the ultimate goal of the valuation process is a well-supported conclusion that reflects all the factors that influence the value of the property being appraised. To achieve this goal, an appraiser studies a property from three different viewpoints, which correspond to the three traditional approaches to value. Other procedures such as the use of inferential statistics, regression analysis and economic models also contribute to the valuation process by providing the basis for assumptions, forecasts and conclusions.

From the approaches applied, the appraiser derives separate indications of value for the property being appraised. One or more of the approaches may not be applicable to a specific assignment or may be less reliable due to the nature of the property, the needs of the client, or the data available. The alternative value indicators approach value from various points of perception, thus addressing the different reasoning and rational for the final conclusion. In addition, alternative methods can serve as useful checks on one another. The appraisal process is reconciled in a conclusion which integrates the information drawn from market research and data with the appropriate valuation techniques. This conclusion may be presented as a single point estimate of value or as a range within which the value may fall.

This appraisal will utilize sales comparison and income approaches to value respectively. Because of several inherent problems determining accrued depreciation, the cost approach was not considered to be an accurate value indicator and was not used.

The Sales Comparison Approach

The Sales Comparison Approach

The Sales Comparison Approach is the process in which a Market Value estimate is derived by analyzing the market for similar properties and comparing these properties to the subject property. Estimates of market rent, cost, depreciation, and other value parameters may be derived in the other approaches to value using comparative techniques. Often these elements are also analyzed in the Sales Comparison Approach to determine the adjustments to be made to the sale prices of comparable properties. The comparative techniques of analysis applied in the Sales Comparison Approach are fundamental to the valuation process.

In the Sales Comparison Approach, market value is estimated by comparing the subject property to similar properties that have recently sold, are listed for sale, or are under contract (i.e., recently drawn up purchase offers accompanied by a cash or equivalent deposit). A major premise of the Sales Comparison Approach is that the market value of a property is directly related to the prices of comparable, competitive properties.

The comparative analysis performed in the approach focuses on similarities and differences among properties and transactions that affect value. These may include differences in the property rights appraised, the motivations of buyers and sellers, financing terms, market conditions at the time of sale, size, location, physical features, and if the properties produce income, economic characteristics. Elements of comparison are tested against market evidence to determine which elements are sensitive to change and how they affect value.[16]

16 **The Appraisal Of Real Estate, 10th ed. (Chicago: Appraisal Institute, 1992), p. 367.**

Procedure

To apply the Sales Comparison Approach, an appraiser follows a systematic procedure. A general outline of the basic procedure follows.

1. Research the market to obtain information on sales transactions, listings, and offers to purchase or sell properties that are similar to the subject property in terms of characteristics such as property type, date of sale, size, location, and zoning.

2. Verify the information by confirming that the data obtained are factually accurate and that the transactions reflect arm's-length market considerations. Verification may also elicit additional information about the market.

3. Select relevant units of comparison) e.g., income multipliers or dollars per acre or per square foot) and develop a comparative analysis for each unit.

4. Compare comparable sale properties with the subject property using the elements of comparison and adjust the sale price of each comparable appropriately to the subject to varying occupancies and economies, a resulting range of values may be a better conclusion than a single value estimate in certain cases.

Adjustments can be made either to total property prices or to appropriate units of comparison. Often adjustments for the property rights conveyed, financing, conditions of sale (motivation), and date of sale (market conditions) are made to the total sale price. The adjusted price is then converted into a unit price (e.g., per square foot, per apartment unit, or per acre) and adjusted for other elements of comparison such as location and physical characteristics.[17]

The sales comparison approach will be used to derive market value. In the case of the subject property, the unit of comparison selected is price per square foot as this is typically the measure by which this type of property is valued. We have looked at residential and commercial condominiums throughout the Upper East Side in Manhattan.

We have divided the comparables into six categories: one-bedroom, two-bedroom, three-bedroom, penthouse, commercial condominiums and storage units. Please note that we have analyzed the subject property's 12 rent stabilized units as a separate

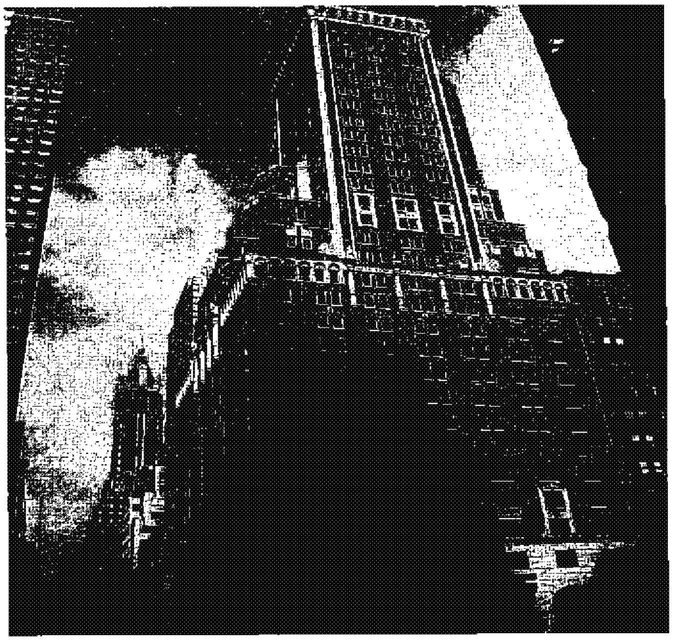
[17] **The Appraisal of Real Estate, 10th ed. (Chicago: Appraisal Institute, 1992), pp. 371-372.**

category. Since bulk sales of condominiums are rare, we have applied the income approach to calculate the value of the rent stabilized units.

The comparables are presented in detail on the following pages:

The Sales Comparison Approach

Sale No. 1



Property Identification

Property Type	Mixed-Use
Address	502-504 Park Avenue , Upper East Side, Manhattan, New York

Land Data

Zoning	C5-3/MID
Topography	Level
Utilities	All
Shape	Rectangular
Gross Land Size	0.32 Acres or 14,059 SF

Land Size Information

Gross Building Area	253,062 SF
Stories	32
Type	Multi-tenant
Year Built	1929/2003

Remarks

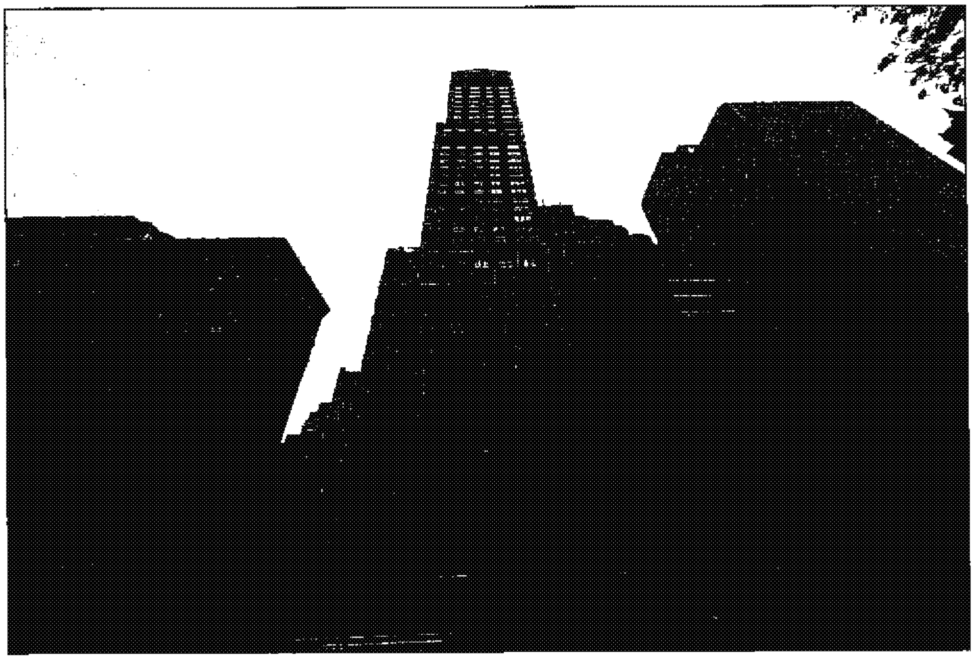
The property is located at the corner of Park Avenue and 59th Street in the Upper East Side section of Manhattan. It is 32 floors high and contains commercial condominium on the first two floors and residential condominiums on the rest of the floor. The property was in very good condition as of the date of value. It contains the subject units.

The Sales Comparison Approach

502-504 PARK AVENUE

Block/Lot	Unit Type	Unit SF	Grantor	Grantee	Sale Date	Deed Book/Page	Sale Price	Price/SF	Previous Sales
ONE-BEDROOMS									
1374/1188	1BR/1BA	717	502 NYC LLC	TBD	Current	TBD	$ 1,595,000.00	$ 2,224.55	$1.285M 11/1/07
1374/1184	1BR/1BA	730	Dooreck 2005 Family Trust	TBD	Current	TBD	$ 1,395,000.00	$ 1,910.96	None in 3 yrs
1374/1213	1BR/1BA	730	Mary Beth Zollars	Invecta RE Corp	9/14/2009	2009-400184	$ 1,275,000.00	$ 1,746.58	None in 3 yrs
1374/1159	1BR/1BA	714	Pierre Arbitbol	Ann Jhin	4/30/2009	2009-153090	$ 1,225,000.00	$ 1,715.69	$1.1565M 2/20/08
1374/1177	1BR/1BA	733	Kendra Sosothikul	Elizabeth Moran Distefano	7/22/2008	2008-303543	$ 1,225,000.00	$ 1,671.21	None in 3 yrs
1374/1170	1BR/1BA	718	Carlo D'Andria	Giancario Russo Corvace	3/12/2008	2008-248389	$ 1,520,000.00	$ 2,116.99	None in 3 yrs
TWO-BEDROOMS									
1374/1199	2BR/3BA	1641	Munoz USA Inc	TBD	Current	TBD	$ 7,800,000.00	$ 4,753.20	None in 3 yrs
1374/1244	2BR/2.5BA	1813	Dsaj, LLC	TBD	Current	TBD	$ 5,500,000.00	$ 3,033.65	None in 3 yrs
1374/1211	2BR/2BA	1554	Artgem Limited	TBD	Current	TBD	$ 4,300,000.00	$ 2,767.05	$4.175M 12/16/09
1374/1211	2BR/2BA	1554	Maximilion Properties Limited	Artgem Limited	12/16/2009	2010-1959	$ 4,175,000.00	$ 2,686.62	None in 3 yrs
1374/1187	2BR/2BA	1322	Joseph Frisone	Sodix Holdings SA	5/27/2009	2009-179899	$ 1,940,000.00	$ 1,467.47	None in 3 yrs
1374/1234	2BR/2.5BA	1333	Atlas Associates, LLC	Canovas Investments NY LLC	4/29/2009	2009-145287	$ 2,150,000.00	$ 1,612.90	None in 3 yrs
1374/1176	2BR/2BA	1549	Justin Metz	Mehdi Bathaee	2/25/2008	2008-95539	$ 3,500,000.00	$ 2,259.52	None in 3 yrs
THREE-BEDROOMS +									
1374/1130	6BR/8.5BA	5473	Fremen LLC	Faraya LLC	12/17/2009	2009-427256	$ 14,000,000.00	$ 2,558.01	$8.6M 6/25/07
1374/1134	4BR/6.5BA	4597	502 Park Avenue Inc	Clelia Vicente	3/9/2009	2009-72382	$ 9,900,000.00	$ 2,153.58	None in 3 yrs
PENTHOUSES									
1374/1262	3BR/5.5BA	5284	Trump Park Avenue LLC	TBD	Current	TBD	$ 31,000,000.00	$ 5,866.77	None in 3 yrs
1374/1260	3BR/6.5BA	4164	Caren Barness	TBD	Current	TBD	$ 11,995,000.00	$ 2,880.64	$12M 1/2/08
1374/1258	3BR/6.5BA	4164	Trump Park Avenue LLC	Confidential	Pending	TBD	$ 12,600,000.00	$ 3,025.94	None in 3 yrs
1374/1260	3BR/6.5BA	4164	Trump Park Avenue LLC	Caren Barness	1/2/2008	2008-8790	$ 12,000,000.00	$ 2,881.84	None in 3 yrs
STORAGE UNITS									
1374/1106	Storage	61	Trump Park Avenue LLC	Michael Weinberg	5/14/2009	2009-199782	$ 185,562.00	$ 3,042.00	None in 3 yrs
1374/1123	Storage	45	Trump Park Avenue LLC	Nina Patricia Cruz	5/28/2008	2008-230580	$ 18,000.00	$ 400.00	None in 3 yrs
1374/1104	Storage	29	Trump Park Avenue LLC	Jay Dooreck	2/1/2008	2008-59667	$ 11,600.00	$ 400.00	None in 3 yrs

Sale No. 2



Property Identification

Property Type	Mixed-Use
Address	515 Park Avenue , Upper East Side, Manhattan, New York

Land Data

Zoning	C5-3/MID
Topography	Level
Utilities	All
Shape	Rectangular
Gross Land Size	0.14 Acres or 6,025 SF

Land Size Information

Gross Building Area	139,973 SF
Stories	40
Type	Multi-tenant Condo
Year Built	2000

Remarks

The property is located at the corner of Park Avenue and 59th Street in the Upper East Side section of Manhattan. It is 40 floors high and contains commercial condominium on the first two floors and residential condominiums on the rest of the floors. The property was in very good condition as of the date of value. Amenities include a gym, party room and library, as well as individual storage units.

The Sales Comparison Approach

515 PARK AVENUE

TWO-BEDROOMS

Block/Lot	Unit Type	Unit SF	Grantor	Grantee	Sale Date	Deed Book/Page	Sale Price	Price/SF	Previous Sales
1394/1065	2BR/2.5BA	2175	Eli Gindi	TBD	Current	TBD	$ 6,495,000.00	$ 2,986.21	

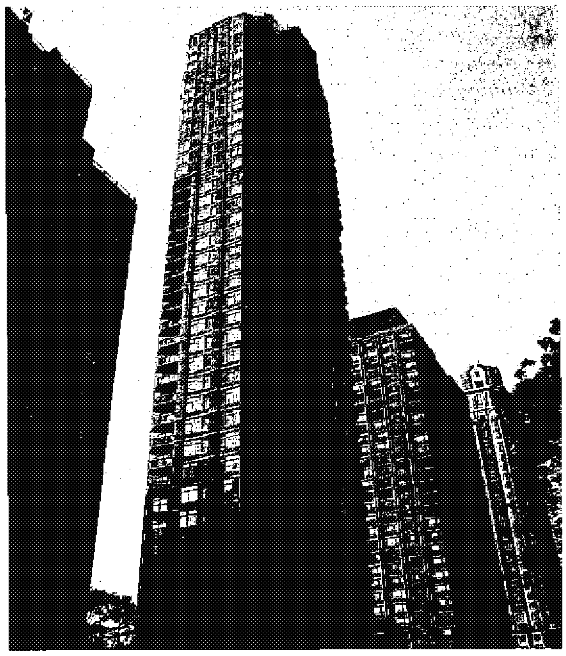
THREE-BEDROOMS +

Block/Lot	Unit Type	Unit SF	Grantor	Grantee	Sale Date	Deed Book/Page	Sale Price	Price/SF	Previous Sales
1394/1081	3BR/4BA	3228	Stephen K Dunn	TBD	Current	TBD	$ 10,800,000.00	$ 3,345.72	None in 3 yrs
1394/1064	3/3.5BA	2486	Grigori Gaplerne	TBD	Current	TBD	$ 7,999,000.00	$ 3,217.62	None in 3 yrs
1394/1088	6BR/8.5BA	5473	515 Partners LLC	Pasia Development, LLC	1/8/2010	2010-37015	$ 23,980,000.00	$ 4,381.51	$8.6M 6/25/07

PENTHOUSES

Block/Lot	Unit Type	Unit SF	Grantor	Grantee	Sale Date	Deed Book/Page	Sale Price	Price/SF	Previous Sales
1394/1097	5/5.5BA	4845	Kneipp Trust	Linda Formo Brandes	1/13/2009	2009-37588	$ 10,000,000.00	$ 2,063.98	None in 3 yrs

Sale No. 3



Property Identification

Property Type	Mixed-Use
Address	188 East 64th Street , Upper East Side, Manhattan, New York

Land Data

Zoning	C1-9
Topography	Level
Utilities	All
Shape	Rectangular
Gross Land Size	0.46 Acres or 20,083 SF

Land Size Information

Gross Building Area	234,959 SF
Stories	42
Type	Multi-tenant
Year Built	1987

Remarks

The property is located along 64th Street between Lexington Avenue and Third Avenue in the Upper East Side section of Manhattan. It is 42 floors high and contains commercial condominium on the first two floors and residential condominiums on the rest of the floors. The property was in very good condition as of the date of value. It contains an underground garage.

The Sales Comparison Approach

188 East 64th St

ONE-BEDROOMS

Block/Lot	Unit Type	Unit SF	Grantor	Grantee	Sale Date	Deed Book/Page	Sale Price	Price/SF	Previous Sales
1398/1044	1BR/1.5BA	920	Stephanie Gordon	Robert Lapidus	2/26/2010	2010-103871	$ 1,070,000.00	$ 1,163.04	None in 3 yrs
1398/1085	1BR/1BA	741	Barbara Abela	James Cinque	10/8/2009	2009-376887	$ 732,500.00	$ 988.53	None in 3 yrs

TWO-BEDROOMS

Block/Lot	Unit Type	Unit SF	Grantor	Grantee	Sale Date	Deed Book/Page	Sale Price	Price/SF	Previous Sales
1398/1186	2BR/2.5BA	1347	Andrew Scott Frey	Hanover Arbor LLC	1/29/2009	2009-29952	$ 1,850,000.00	$ 1,373.42	None in 3 yrs
1398/1190	2BR/2.5BA	1347	Scarlett LLC	CP 188 LLC	6/12/2008	2008-247136	$ 1,910,000.00	$ 1,417.97	None in 3 yrs

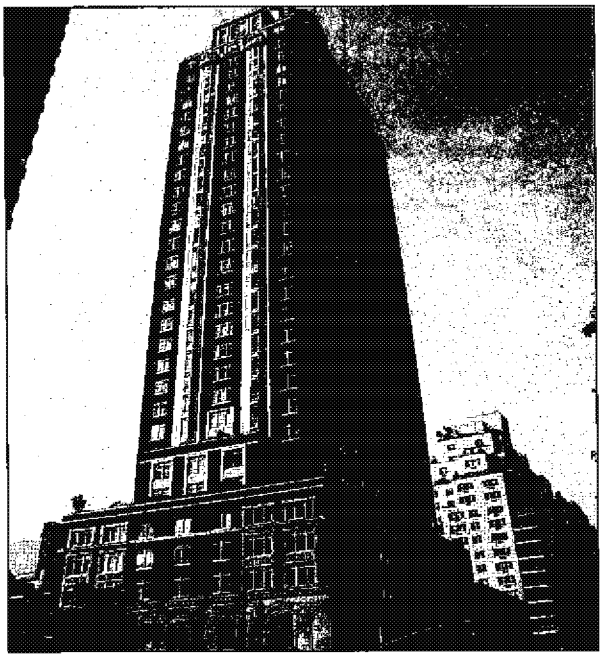
THREE-BEDROOMS +

Block/Lot	Unit Type	Unit SF	Grantor	Grantee	Sale Date	Deed Book/Page	Sale Price	Price/SF	Previous Sales
1398/1036	3BR/3.5BA	2116	Moshe Uziel	TBD	Current	TBD	$ 6,500,000.00	$ 3,071.83	None in 3 yrs
1398/1149	3BR/3.5BA	2486	Charles Mooney	Torelli LLC	10/6/2008	2008-407130	$ 7,250,000.00	$ 2,916.33	None in 3 yrs

PENTHOUSES

Block/Lot	Unit Type	Unit SF	Grantor	Grantee	Sale Date	Deed Book/Page	Sale Price	Price/SF	Previous Sales
1398/1038	3BR/3.5BA	2211	Maria De Graco Burgos	Brita Steffelin	3/31/2008	2008-137068	$ 4,000,000.00	$ 1,809.14	None in 3 yrs

Sale No. 4



Property Identification

Property Type	Mixed-Use Condominium Building
Address	181 East 65th Street , Upper East Side, Manhattan, New York

Land Data

Zoning	C1-9
Topography	Level
Utilities	All
Shape	Rectangular
Gross Land Size	0.27 Acres or 11,930 SF

Land Size Information

Gross Building Area	209,853 SF
Stories	32
Type	Multi-tenant
Year Built	1999

Remarks

The property is located along 65th Street between Lexington Avenue and Third Avenue. It is 32 floors high and contains commercial condominiums on the first three floors and residential condominiums on the rest of the floors. The property was in very good condition as of the date of value. The property features an underground garage.

The Sales Comparison Approach

181 East 65th St

TWO-BEDROOMS

Block/Lot	Unit Type	Unit SF	Grantor	Grantee	Sale Date	Deed Book/Page	Sale Price	Price/SF	Previous Sales
1400/1025	2BR/2.5BA	1487	Adam Englander	TBD	Current	TBD	$ 2,950,000.00	$ 1,983.86	None in 3 yrs
1400/1022	2BR/2.5BA	1480	Lee Einsindler	Vedat Sadioglu	2/18/2010	2010-93029	$ 3,100,000.00	$ 2,094.59	None in 3 yrs
1400/1041	2BR/2.5BA	1446	Lawrence Lee	Chatham 65 LLC	6/16/2009	2009-193649	$ 2,750,000.00	$ 1,901.80	None in 3 yrs

THREE-BEDROOMS +

Block/Lot	Unit Type	Unit SF	Grantor	Grantee	Sale Date	Deed Book/Page	Sale Price	Price/SF	Previous Sales
1400/1044	3BR/3BA	1653	Negrin Metin	TBD	Current	TBD	$ 3,750,000.00	$ 2,268.60	None in 3 yrs
1400/1009	4BR/4BA	2253	Air Shamrock Inc	Robin Heller Moss	4/13/2010	2010-129380	$ 4,150,000.00	$ 1,841.99	None in 3 yrs
1400/1019	3BR/2.5BA	1699	Beachbox Holdings LLC	Herbert Ackerman	3/31/2010	2010-123189	$ 4,200,000.00	$ 2,472.04	None in 3 yrs
1400/1028	3BR/3BA	1653	Rise Norman	Selmo Nessembaum	6/9/2009	2009-204660	$ 2,900,000.00	$ 1,754.39	None in 3 yrs
1400/1089	4BR/5BA	2865	Angelina Anisimova	Pastor Carlos Rodriquez	10/1/2009	2009-333383	$ 6,500,000.00	$ 2,268.76	None in 3 yrs
1400/1091	4BR/5BA	2865	Lawrence Robbins	Max Berger	1/22/2010	2010-33103	$ 6,600,000.00	$ 2,303.66	None in 3 yrs
1400/1093	4BR/5BA	2823	Lawrence Robbins	Katie Abdelnour	2/8/2010	2010-54031	$ 6,500,000.00	$ 2,302.52	None in 3 yrs

Sale No. 5

Property Identification	
Property Type	Mixed-Use
Address	40 East 78th Street , Upper East Side, Manhattan, New York
Land Data	
Zoning	C5-1/MP
Topography	Level
Utilities	All
Shape	Rectangular
Gross Land Size	0.39 Acres or 17,265 SF
Land Size Information	
Gross Building Area	193,124 SF
Stories	16
Type	Multi-tenant
Year Built	1958/2003

Remarks

The property is located at the corner of Madison Avenue and 78th Street in the Upper East Side section of Manhattan. It is 16 floors high and contains a commercial condominium on the first floor and residential condominiums on the rest of the floor. The property was in good condition as of the date of value.

The Sales Comparison Approach

40 East 78th St

ONE-BEDROOMS

Block/Lot	Unit Type	Unit SF	Grantor	Grantee	Sale Date	Deed Book/Page	Sale Price	Price/SF	Previous Sales
1392/1112	1BR/1BA	900	Eleonore Kaymakcian	Dianora Salviati	8/31/2009	2009-295311	$ 1,030,000.00	$ 1,144.44	None in 3 yrs

TWO-BEDROOMS

Block/Lot	Unit Type	Unit SF	Grantor	Grantee	Sale Date	Deed Book/Page	Sale Price	Price/SF	Previous Sales
1392/1155	2BR/2BA	1254	Dorothy Tananbaum	Leelko Inc	12/13/2009	2009-405353	$ 1,650,000.00	$ 1,315.79	None in 3 yrs
1392/1136	2BR/2BA	1034	Anthony Bozza	Valley LLC	9/10/2009	2009-311840	$ 1,440,000.00	$ 1,392.65	None in 3 yrs
1392/1118	2BR/2BA	1203	Peter Grunebaum	Jeffrey Hellinger	5/28/2009	2009-196788	$ 1,400,000.00	$ 1,163.76	None in 3 yrs
1392/1130	2BR/2BA	1034	Jeremy Wiesen	Jontomtel LLC	5/27/2009	2009-169065	$ 999,000.00	$ 966.15	None in 3 yrs

PENTHOUSES

Block/Lot	Unit Type	Unit SF	Grantor	Grantee	Sale Date	Deed Book/Page	Sale Price	Price/SF	Previous Sales
1392/1143	4BR/4BA	3818	Michael McGowan	Stanley Osborne	6/30/2009	2009-296428	$ 5,500,000.00	$ 1,440.54	None in 3 yrs

Sale No. 6

Property Identification	
Property Type	Mixed-Use Condominium Building
Address	1049 5th Avenue, Upper East Side, Manhattan, New York
Land Data	
Zoning	R-10/PI
Topography	Level
Utilities	All
Shape	Rectangular
Gross Land Size	0.23 Acres or 10,216 SF
Land Size Information	
Gross Building Area	136,440 SF
Stories	22
Type	Multi-tenant
Year Built	1928/1991

Remarks

The property is located at the corner of Fifth Avenue and 86th Street in the Upper East Side section of Manhattan. It is 22 floors high and contains commercial condominium on the first three floors and residential condominiums on the rest of the floors. The property was in very good condition as of the date of value.

The Sales Comparison Approach

1049 Fifth Avenue

ONE-BEDROOMS

Block/Lot	Unit Type	Unit SF	Grantor	Grantee	Sale Date	Deed Book/Page	Sale Price	Price/SF	Previous Sales
1497/1067	1BA/2BA	1199	Yong Guk Lee	TBD	Current	TBD	$ 2,295,000.00	$ 1,914.10	None in 3 yrs

TWO-BEDROOMS

Block/Lot	Unit Type	Unit SF	Grantor	Grantee	Sale Date	Deed Book/Page	Sale Price	Price/SF	Previous Sales
1497/1071	2BR/1BA	1224	James Scala	Martin Greenberg	2/11/2010	2010-59606	$ 1,750,000.00	$ 1,429.74	None in 3 yrs
1497/1087	2BR/3BA	1830	James Cummings	Simon Bland	1/15/2009	2009-18407	$ 2,900,000.00	$ 1,584.70	None in 3 yrs

THREE-BEDROOMS +

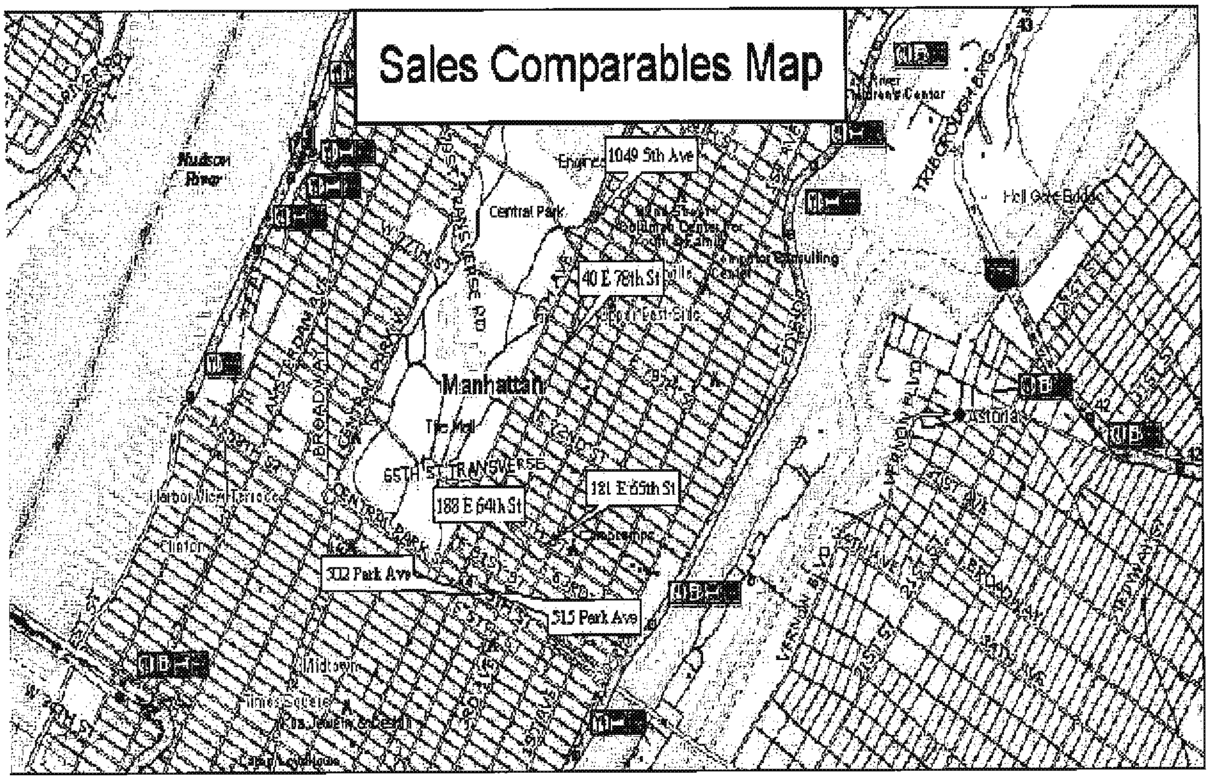
Block/Lot	Unit Type	Unit SF	Grantor	Grantee	Sale Date	Deed Book/Page	Sale Price	Price/SF	Previous Sales
1497/1065	3BR/2.5BA	1889	Robert Juneja	TBD	Pending	TBD	$ 3,995,000.00	$ 2,114.88	None in 3 yrs
1497/1098	4BR/3.5BA	3335	Laura Gordon	Jordann Real Estate LLC	7/2/2009	2009-213853	$ 6,700,000.00	$ 2,009.00	None in 3 yrs
1497/1105	3BR/2.5BA	1987	Gema Investments Inc	Avanell International Lmtd	12/15/2009	2009-420755	$ 5,400,000.00	$ 2,717.66	None in 3 yrs

PENTHOUSES

Block/Lot	Unit Type	Unit SF	Grantor	Grantee	Sale Date	Deed Book/Page	Sale Price	Price/SF	Previous Sales
1497/1109	4BR/3.5BA	3572	Joseph Dimenna	Brookwood Fifth LLC	4/22/2008	2009-190839	$ 10,950,000.00	$ 3,065.51	None in 3 yrs

STORAGE UNITS

Block/Lot	Unit Type	Unit SF	Grantor	Grantee	Sale Date	Deed Book/Page	Sale Price	Price/SF	Previous Sales
1497/1041	Storage	25	Josephine Lee	Antonia Nogara	7/2/2009	2009-216053	$ 38,000.00	$ 1,520.00	None in 3 yrs


Sales Comparables Map
1049 5th Ave
40 E 78th St
188 E 64th St
181 E 65th St
502 Park Ave
515 Park Ave
Hudson River
Central Park
Manhattan
The Mall
65TH ST TRANSVERSE
Midtown
Astoria
Hell Gate Bridge

As described in the preceding pages, we have identified six buildings with multiple sales of residential condominium units. We have found that the sale price for one-bedroom units ranges from a low of $989 per square foot to a high of $2,225 per square foot. The average price per square foot at comparable one-bedroom condominiums is $1,660. The median price per square foot is $1,731. We have considered factors such as location, condition, amenities, quality of finishes as well as recent sales at the subject building and have estimated a price per square foot of $1,750 for the one-bedroom condominium units.

The sale price per square foot for the comparable two-bedroom units ranges from a low of $966 to a high of $4,753. The average price per square foot at comparable two-bedroom condominiums is $2,010 per square foot. The median price per square foot at comparable two-bedroom condominiums is $1,613 per square foot. We have considered factors such as location, condition, amenities, quality of finishes as well as recent sales at the subject building and have estimated a price per square foot of $2,000 for the two-bedroom condominium units.

The sale price per square foot for the comparable three bedroom units ranges from a low of $1,754 to a high of $4,382. The average price per square foot at comparable three-bedroom condominiums is $2,570 per square foot. The median price per square foot at comparable three-bedroom condominiums is $2,304 per square foot. We have considered factors such as location, condition, amenities, quality of finishes as well as recent sales at the subject building and have estimated a price per square foot of $2,250 for the three-bedroom condominium units. The same rate will be applied to subject unit 3B a four bedroom unit.

The sale price per square foot for the comparable penthouse units ranges from a low of $1,440 to a high of $5,867. The average price per square foot at comparable penthouse condominiums is $2,879 per square foot. The median price per square foot at comparable penthouse condominiums is $2,881 per square foot. We have considered factors such as location, condition, amenities, quality of finishes as well as recent sales at the subject building and have estimated a price per square foot of $3,000 for the penthouse condominium units.

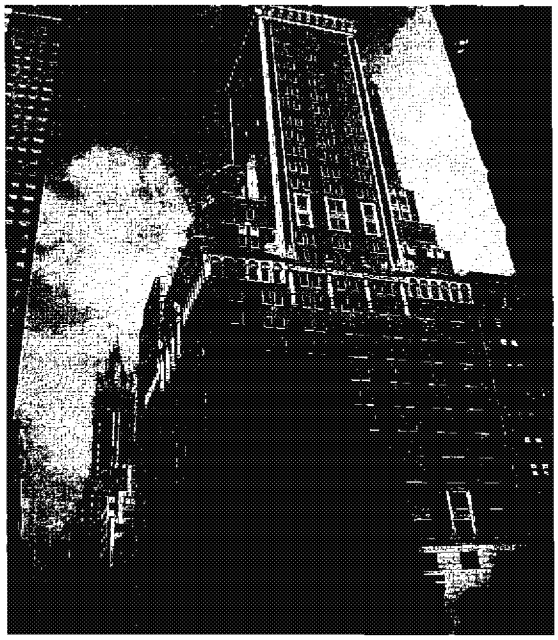
The sale price per square foot for the comparable storage units ranges from a low of $400 to a high of $3,042. The average price per square foot at comparable storage units is $1,340 per square foot. The median price per square foot at comparable storage units is $960 per square foot. We have considered factors such as location, condition, recent sales at the subject building and the fact that storage units are often included as part of a package of amenities for a particular unit and have estimated a price per square foot of $400 for the storage units.

COMMERCIAL CONDOMINIUM UNITS

The subject property contains two commercial condominium units. Commercial #1 is currently occupied by New York Sports Club through March 31, 2014. Its current rental rate is $48.97 per square foot. Commercial #2 is currently occupied by Capital One Bank through January 31, 2022 with a current rental rate of $210.53 per square foot.

In order to determine the market value of the subject commercial condominium units, we have identified four concluded sales and one listing of comparable commercial condominium units in the subject property's submarket as well as competing submarkets.

Sale No. 1



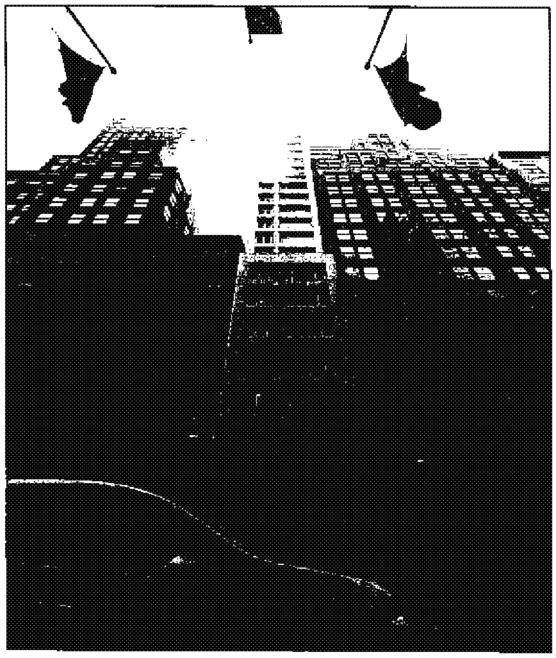
Property Identification	
Property Type	Mixed-Use
Address	209 East 51st Street , Midtown East, Manhattan, New York
Block/Lot	Block 1325, Lot 1403
Sales Data	
Grantor	211-51 Property, LLC
Grantee	TBD
Sale Price	$2,800,000
Date of Sale	Current Listing
Book-Page	TBD
Previous Sales	None in 5 years
Land Data	
Zoning	R8B/MID
Topography	Level
Utilities	All
Shape	Rectangular
Gross Land Size	0.21 Acres or 9,037 SF
Unit Size Information	
Gross Unit Area	4,595 SF

Floor	1
Type	Multi-tenant Condominium
Year Built	1958
Sale Price/SF	$609.36

Remarks

The property is located along 51st Street between Second and Third Avenues in the Midtown East section of Manhattan. It is located on the first floor of a 16-story condominium development. The property is currently leased to a high-end space at a rental rate of $42/SF through 2014 with 4.5% annual rent increases. The current annual rent is $194,268. The estimated expenses are $30,360. The estimated NOI is $163,912, which indicates a cap rate of 5.85%. The property was in good condition as of the date of value.

Sale No. 2



Property Identification	
Property Type	Mixed-Use
Address	5 East 44th St, Midtown East, Manhattan, New York
Block/Lot	Block 1279, Lot 1001
Sales Data	
Grantor	Five East LLC
Grantee	2792 Ocean Realty LLC
Sale Price	$2,627,137
Date of Sale	February 2, 2010
Book-Page	2010-55272
Previous Sales	None in 5 years
Land Data	
Zoning	C5-2.5/MID
Topography	Level
Utilities	All
Shape	Rectangular
Gross Land Size	0.06 Acres or 2,711 SF
Unit Size Information	
Gross Unit Area	2,700 SF

Floor	1
Type	Multi-tenant Condominium
Year Built	2009
Sale Price/SF	$973.01

Remarks
The property is located along 44th Street between Fifth and Madison Avenues in the in the Midtown East section of Manhattan. It is located on the first floor of a 22-story condominium development. The property was purchased vacant for owner occupancy as a dental clinic. The property was in excellent condition as of the date of value. The original asking price was $3.2 million. The property was on the market for 30 days.

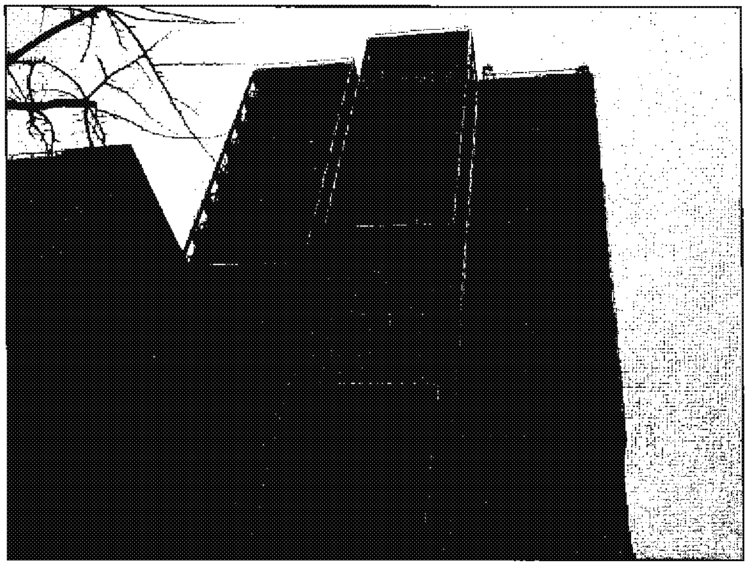
Sale No. 3

Property Identification	
Property Type	Mixed-Use
Address	2600 Broadway, Upper West Side, Manhattan, New York
Block/Lot	Block 1870, Lot 1104
Sales Data	
Grantor	Pence Realty
Grantee	201 Cedar Ave LLC
Sale Price	$2,000,000
Date of Sale	August 21, 2008
Book-Page	2008-397157
Previous Sales	None in 5 years
Land Data	
Zoning	C1-5/R9B
Topography	Level
Utilities	All
Shape	Rectangular
Gross Land Size	0.45 Acres or 19,710 SF
Unit Size Information	
Gross Unit Area	1,811 SF
Floor	1
Type	Multi-tenant Condominium
Year Built	1914/1987

Sale Price/SF $1,104.36

Remarks
The property is at the corner of Broadway and 98th Street in the Upper West Side section of Manhattan. It is located on the first floor of a 12-story condominium development. The property was purchased 100% lease to a deli (Oppenheimer Meats and Starbucks). The gross income at the time of transaction was not disclosed. The property was in good condition as of the date of transaction. The space is currently available for lease with an asking rate of $155/SF on a modified net basis and six months free rent.

Sale No. 4

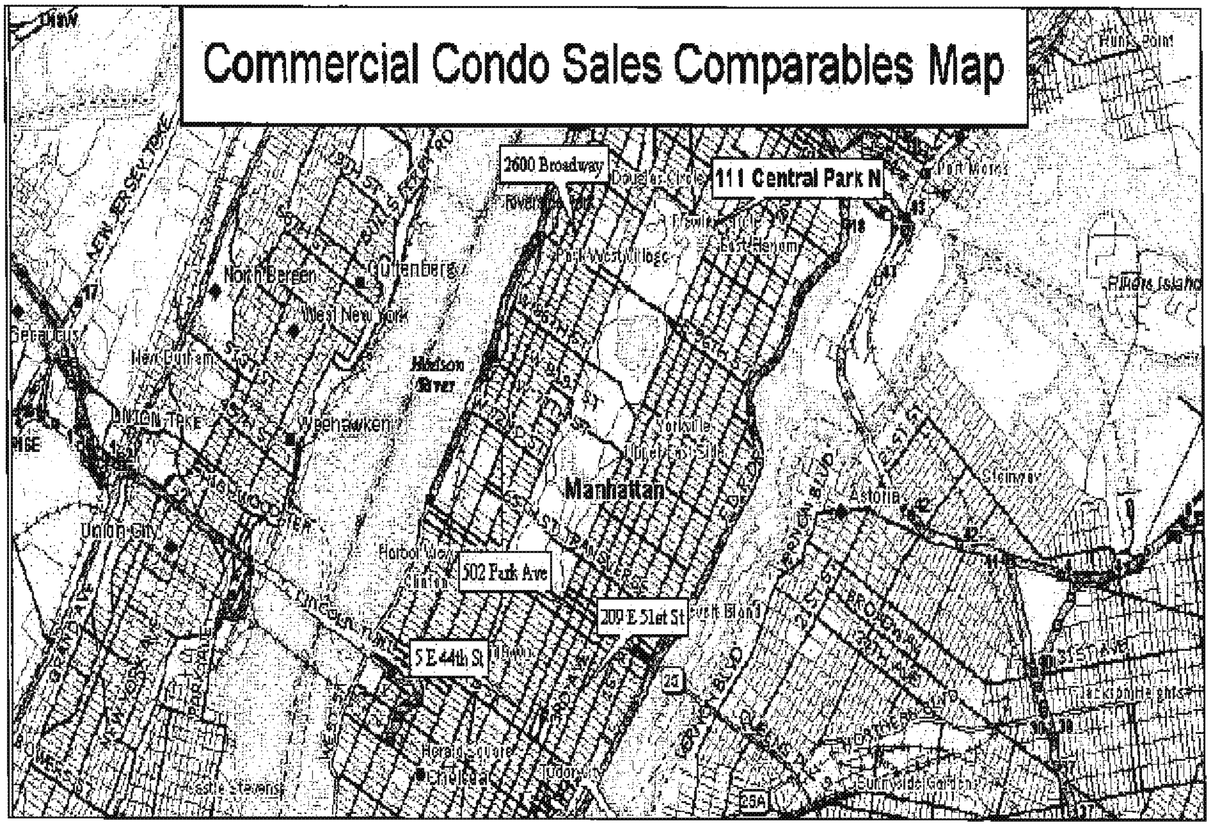


Property Identification	
Property Type	Mixed-Use
Address	111 Central Park North, Upper West Side, Manhattan, New York
Block/Lot	Block 1820, Lot 1201, 1202, 1203
Sales Data	
Grantor	Athena CPN, LLC
Grantee	HMF 111 CPN Partners LLC
Sale Price	$8,042,092
Date of Sale	March 21, 2008
Book-Page	2008-126900
Previous Sales	None in 5 years
Land Data	
Zoning	C1-4/R8
Topography	Level
Utilities	All
Shape	Rectangular
Gross Land Size	0.46 Acres or 20,092 SF
Unit Size Information	
Gross Unit Area	9,647 SF
Floor	1
Type	Multi-tenant Condominium
Year Built	2007

Sale Price/SF $833.64

Remarks

The property is at the corner of Lenox Avenue and Central Park North in the Upper West Side section of Manhattan. It constitutes 3 retail condominiums on the first floor of a 19-story condominium development. The property features an underground garage. The property was purchased fully leased at market rates. The gross income at the time of transaction was not disclosed. The property was in very good condition as of the date of transaction. 6,974 square feet of the comparable unit is currently available for lease with an asking rate of $75/SF.



Commercial Condo Sales Comparables Map

The Sales Comparison Approach

On the adjacent pages, four commercial condominium units were described. Listed below are the factors adjusted for with an explanation as to what is included in these factors.

Adjustment Process Overview: In analyzing comparable sales data, it is important to note that the adjustment process adjusts the comparable sales to the subject. In adjusting for significant variations between the subject and the comparable properties, the analysis includes a percent adjustment reflecting the appropriate market reaction to those items. If a significant item in the comparable property is superior to, or more favorable than, the subject property, a minus (-) adjustment is made, thus reducing the indicated value of the subject; if a significant item in the comparable is inferior to, or less favorable than, the subject property, a plus (+) adjustment is made, thus increasing the indicated value of the subject. For example, if the comparable sale has a location inferior to the subject, it would require an upward adjustment in order to reflect the subject's geographical characteristics.

All adjustments utilized will follow this process of adjusting the comparable sale to the subject.

Real Property Rights Conveyed: The transaction price is always based upon the property interest conveyed. Fee simple estates are value based upon market rates. If a property is a leased fee property, and therefore subject to its current leases, the price paid for that property will reflect whether the leases are below, at or above market rates. Once this is determined, an appropriate adjustment is made.

The subject interest for this analysis will be leased fee. Sale 1 is occupied at below market rent levels. It received a positive 20% adjustment. Sale 2 was fee simple and purchased for owner occupancy. No adjustment was necessary. Sale 3 and 4 were occupied at market rents; no adjustment was necessary.

Financing Terms: A property's sales price can also be influenced by the financing obtained to purchase the property. Any unusual financing such as below market rate financing, balloon mortgages, and installment sales contracts or any other unusual financing is examined and any appropriate adjustment is applied if necessary. The comparables were sold for cash or its equivalent to the sellers. Therefore, no adjustments were required.

Condition of Sale: This adjustment accounts for special motivations of the buyer and seller. An appropriate adjustment is developed based on whether the sale was an arms length transaction, a distressed property sale, or foreclosure. The comparables were considered to be arms length transactions, with no special conditions present, which might have affected the sale price. Therefore, no adjustments were applied.

Date of Sale: This adjustment reflects the change in value from the date of sale to the date of appraised value caused by changes in market conditions. The adjustments applied to the comparable are derived from primary and secondary data extracted from the market as well as information provided by financial institutions and real estate publications. Due to the recent turmoil in the economy, especially in the retail condominium market, property values have decreased. As a result, we have implemented negative time adjustments of 10% per year for each comparable. In addition, we have applied a negative adjustment of 15% for Sale 1, which is a listing. This is based on conversations with local real estate professionals that indicate that properties tend to sell at 85% of their asking price.

Location: The factors that are considered in developing a location adjustment include visibility, access to major highways, traffic flow, and population density and household income level. After these factors are considered, an appropriate adjustment is developed and applied to the comparable sale. This adjustment will reduce to a minimum the value differences attributed to location between the subject and comparable sales.

The subject property is located at the corner of Park Avenue and 59th Street, two major commercial street. It has excellent visibility. Sale 1 is located along 51st St between Second and Third Avenues. It received a positive adjustment to account for the fact that Park Avenue is more desirable than both Second or Third Avenues and for the fact the comparable is midblock. Sale 2 is located along 44th Street between Fifth and Madison Avenues. It received a slight positive adjustment for the fact that it is located midblock. Sale 3 is located at the corner of Broadway and 98th Street. It received a positive adjustment due to the fact that its location is less desirable than that of the subject property in terms of demographics and exposure. Sale 4 is located at the corner of Central Park North, Lenox Avenue and 110th Street. It received a positive adjustment for its location due to the fact that it is less desirable in terms of demographics and exposure than the subject property.

Size: The adjustment for size is based on the inverse relationship between unit price paid and quantity or size. Typically, a lower unit price is paid for a larger quantity or size property. We utilized the average between the two subject units as a basis of comparison. In contrast, a higher unit price is typically paid for a smaller overall development. Sales 1, 2 and 3 each received a negative adjustment for their smaller size. No adjustment was required for Sale 4.

Condition/Utility: The subject property was in very good condition at time of inspection. Sales 1, 3 and 4 were in good condition, which was inferior to the subject property. They each received a positive condition adjustment. No adjustment was necessary for Sale 2.

Remarks & Conclusions: The adjustment process considers the value of the subject "as is". The appraiser analyzed the four comparable sales and after adjustments noted a range from $832 to $1,087 per square foot. The mean price calculated to be $951 per square foot and the median was $944 per square foot. The appraiser, in considering the relative size and location of the subject, determine that the most appropriate indicator of value would be $1,000.00 per square foot. Therefore, it is the opinion of the appraiser that $1,000.00 per square foot is commensurate with the local marketplace and is considered to be a good value indicator.

Therefore:

Unit Size	x	Est Value/SF =	Total Value
19,235 SF	x	$1,000.00/SF =	$19,235,000

The Sales Comparison Approach

Sales Comparison Approach

	Subject	Comparable Sale #1	Comparable Sale #2	Comparable Sale #3	Comparable Sale #4
market data					
Street	502-504 Park Avenue	209 East 51st St	5 East 44th St	2600-2610 Broadway	111 Central Park North
Neighborhood	Upper East Side	Midtown East	Midtown East	Upper West Side	Upper West Side
Block/Lot	1374/1264 & 1128	1325/1403	1279/1001	1870/1104	1820/1201,1202, 1203
Lot Size	0.32	0.21	0.06	0.45	0.46
Gross Unit Area	19,235	4,595	2,700	1,811	9,647
Date of Sale	Current	Current	2/2/2010	8/21/2008	3/21/2008
Grantor	NA	211-51 Property, LLC	Five East LLC	Pence Realty	Athana CPN, LLC
Grantee	NA	TBD	2792 Ocean Realty LLC	201 Cedar Ave LLC	HMF 111 CPN Partners LLC
Book/Page	NA	TBD	2010-55272	2008-397157	2008-126900
Sale Price	NA	$2,800,000	$2,627,137	$2,000,000	$8,042,092
Buyer Costs of Conversion		$0	$0	$0	$0
Adjusted Sale Price		$2,800,000	$2,627,137	$2,000,000	$8,042,092
Price Per S.F.	NA	$609.36	$973.01	$1,104.36	$833.64
adjustments					
Condition of Sale	NA	0%	0%	0%	0%
Rights Conveyed		20%	0%	0%	0%
Date of Sale		-15.0%	0.0%	-18.0%	-20.0%
Financing		0%	0%	0%	0%
Adj Sale Price		$639.83	$973.01	$905.58	$666.91
Location	Excellent	Inferior	Inferior	Inferior	Inferior
		30%	10%	25%	30%
Unit Area	9,618	4,595	2,700	1,811	9,647
Adjustment		-10%	-12%	-15%	0%
Condition / Utility	Very Good	Inferior	Similar	Inferior	Inferior
Adjustment		10%	0%	10%	10%
Total Net Adjustments		30%	-2%	20%	40%
Net Adjusted Sale Price / Square Foot		$831.77	$953.55	$1,086.69	$933.67
Net Adjusted Sale Price		$3,822,000	$2,574,594	$1,968,000	$9,007,143

CALCULATION OF RENT STABILIZED UNITS' VALUE

The client has requested a sum of gross sellout value for the subject units. However, 12 of the subject property's 23 residential units are currently subject rent stabilization. As a result, they cannot be marketed as individual units as current tenants cannot be forced to leave. Therefore, we will consider the value of units 4A, 6B, 7A, 7B, 7D, 7E, 7G, 8E, 8H, 10E, 12E, and 15A as a bulk unit size. We were unable to find any sales of bulk condominiums. Therefore, we have considered the value of the condominium units based on their income.

As discussed in the income capitalization section, we have accepted the rent stabilized contract rental amounts for the subject property's 12 rent stabilized units. Next, we estimated stabilized expenses for the 12 units. We have applied actual taxes for each of the 12 condominium lots as well as all the expenses maintaining consistency with the expenses of the entire subject building (discussed in more detail in the income approach).

We utilized the same capitalization rate of 6.50%. This is lower than the capitalization rate applied to the entire subject property, due to the upside potential in rent once the current tenants vacate.

The calculation of the value of the 12 rent-stabilized condominium lots is presented on the following page:

STABILIZED OPERATING STATEMENT

502 Park Ave, Units 4A, 6B, 7A, 7B, 7D, 7E, 7G, 8E, 8H, 10E, 12E, 15A

14,759 Floor area SF

Potential Gross Income			**$ / Year**
Potential Gross Income		$22.75	$ 335,772.40
Effective Gross Income		$22.75	$335,772
Operating Expenses		**$/SF**	
Taxes		$11.31	$ 166,933.26
Supplies		$0.75	$11,069
Payroll		$2.00	$29,518
Common Area Utilities		$0.50	$7,380
Fuel		$1.50	$22,139
Water and Sewer		$0.50	$7,380
Insurance		$1.00	$14,759
Repairs and Maintenance		$0.50	$7,380
Reserves		$0.25	$3,690
Management	5.0%	$1.14	$16,789
Total Expenses:		-$19.45	($287,035)
Net Operating Income			$48,738
Capitalization Rate	6.50%		
Capitalized Value			**$749,808**
STABILIZED VALUE Rounded	$51 /SF		**$750,000**

The Sales Comparison Approach

The client has requested a sum of the gross sell-out. This involves adding all the components of the subject property. As previously discussed, the 12 rent-stabilized units cannot be sold separately; therefore we have estimated their value via the income approach. The sum of the gross sell-out for the 10 residential units, 6 storage units, and 2 commercial units is presented below:

SUM OF GROSS SELLOUT					
One-Bedroom @ $1,750					
Unit #	Unit SF	Unit Type	Block	Type	Market Value
6C	743	3-1-1	1374	1146	$ 1,300,500.00
12J	693	3-1-1	1374	1206	$ 1,213,000.00
Three to Four Bedroom @ $2,250/SF					
Unit #	Unit SF	Unit Type	Block	Type	Market Value
19AB	3,211	7-3-3.5	1374	1247	$ 7,225,000.00
3B	4,614	8-4-6.5	1374	1131	$ 10,382,000.00
Penthouse @ $3,000/SF					
Unit #	Unit SF	Unit Type	Block	Type	Market Value
PH20	7,132	13-7-8	1374	1251	$ 21,396,000.00
PH21	7,132	13-7-8	1374	1252	$ 21,396,000.00
PH23	6,224	11-5-6.5	1374	1254	$ 18,672,000.00
PH24	6,192	11-5-6.5	1374	1255	$ 18,576,000.00
PH27	4,164	7.5-4-5.5	1374	1258	$ 12,492,000.00
PH28	4,164	7.5-4-5.5	1374	1259	$ 12,492,000.00
PH31	6,299	7-5-6	1374	1262	$ 18,897,000.00
Storage Units @ $400/SF					
Unit #	Unit SF	Unit Type	Block	Type	Market Value
ST10	33	Storage	1374	1110	$ 13,000.00
ST12	33	Storage	1374	1112	$ 13,000.00
ST13	33	Storage	1374	1113	$ 13,000.00
ST15	58	Storage	1374	1115	$ 23,000.00
ST20	49	Storage	1374	1120	$ 19,500.00
ST25	45	Storage	1374	1125	$ 18,000.00
Commercial Units @ $1,000/SF					
Unit #	Unit SF	Unit Type	Block	Type	Market Value
CAPITAL ONE	3,800	Commercial	1374	1164	$ 3,800,000.00
NYSC	15,435	Commercial	1374	1128	$ 15,435,000.00
TOTAL					**$ 163,376,000.00**

Next, we add the capitalized value of the 12 rent-stabilized units to the sum of the gross sell-out the calculation is as follows:

$163,376,000 + $750,000= $164,000,000 RD

As stated in the market analysis portion of this report, we estimate the absorption rate for the residential units to be three units per quarter. The absorption rate for the commercial units is expected to be six months for the smaller commercial units and 12 months for the larger commercial units. Due to the current economic climate as well as the fact that storage units are often included as an amenity, we estimate an absorption rate of 1 unit per quarter. Therefore, the entire absorption period for the subject property is 18 months.

The sum of the gross sellout of the subject property via the sales comparison approach as of October 1, 2011 is therefore concluded to be:

ONE HUNDRED SIXTY FOUR MILLION DOLLARS

$164,000,000

The Cost Approach

The Cost Approach

The Cost Approach to value, like the Sales Comparison and Income Capitalization approaches, is based on comparison. In the Cost Approach the cost to develop a property is compared with the value of the existing property or a similarly developed property. When applicable, the Cost Approach reflects market thinking by recognizing that market participants relate value to cost. Buyers tend to judge the value of an existing structure by considering the ***Costs*** and ***Benefits*** of similar buildings and the cost to create a new building with optimal physical condition and functional utility. Moreover, buyers adjust the prices they are willing to pay by estimating the costs to bring an existing structure up to the physical condition and functional utility they desire.

Therefore, in applying the Cost Approach, an appraiser attempts to estimate the difference in worth to a buyer between the property being appraised and a newly constructed building with optimal utility. The appraiser estimates the cost to construct a reproduction of, or replacement for, the existing structure and site improvements (including direct costs, indirect costs, and an appropriate entrepreneurial profit), and then deducts all accrued depreciation in the property being appraised from the reproduction or replacement cost of the structure as of the effective appraisal date. When the value of the site is added to this figure, the result is an indication of the value of the Fee Simple interest in the property.

The appraisers did not utilize the Cost Approach to value the subject property due to the fact that the subject property does not have an undivided interest in the subject property's underlying land.

The Income Capitalization Approach

The Income Capitalization Approach

The Income Capitalization Approach is one of the three traditional approaches that an appraiser may use in the valuation process. However, it is not an independent system of valuation that is unrelated to the other approaches. The valuation process as a whole is composed of integrated, interrelated, and inseparable techniques and procedures designed to produce a convincing and reliable estimate of value, usually market value.

The analysis of cost and sales data is often an integral part of the income capitalization approach, and capitalization techniques are frequently employed in the Cost and Sales Comparison approaches. Capitalization techniques are commonly used to analyze and adjust sales data in the Sales Comparison Approach; in the Cost Approach, obsolescence is often measured by capitalizing an estimated rent loss. The income capitalization approach is described herein as part of the systematic valuation process, but the various methods, techniques, and procedures used in the approach are general-purpose analytical tools applicable in the valuation and evaluation of income-producing properties.[18]

18 **The Appraisal Of Real Estate, 10th ed. (Chicago: Appraisal Institute, 1992), p. 409**

The Income Capitalization Approach

This report will employ the technique of the Income Capitalization Approach known as Direct Capitalization of income. The procedure for employing the Direct Capitalization Analysis is as follows:

- Project the Potential Gross Income (PGI), which is the total income attributable to the property at full occupancy before deduction for vacancy and operating expenses.
- Project the appropriate factor for vacancy and collection loss from the subject's operating history or market-derived information.
- Project fixed and variable expenses that would typically occur at periodic rates during the projection period.
- Subtract the projections of fixed and variable expenses, as well as vacancy and collection loss from Potential Gross Income; resulting in Net Operating Income.
- Utilize investor surveys or other market-derived data to choose an appropriate cap rate. The capitalization rate is used to capitalize the stabilized NOI.

The applicable assumptions and conclusions of the Direct Capitalization Analysis in regard to the subject property are located on the succeeding pages of this appraisal report.

Lease Analysis

The income to various lease interests is generally derived through the conveyance and operation of leases. A lease is a written document in which the rights to use and occupy land or structures are transferred by the owner to another for a specified period of time in return for a specified rent. An appraiser begins to develop an income and expense forecast for investment real estate by studying all existing and proposed leases that apply to the subject property. These leases provide information on rent and other income and on the division of expenses between the landlord and the tenant.

If leases exist and the income estimate is based on the continuation of lease income, the appraiser examines lease provisions that could affect the quantity, quality, and durability of property income. The appraiser must either read the leases or rely on the client or another authorized party to disclose all pertinent lease provisions.

A representative of the owner provided the appraisers with a copy of all the leases for the subject property. The two commercial leases are summarized as follows:

Capital One

Landlord:	Trump Park Avenue LLC
Tenant	North Fork Bank dba Capital One
Lease Date	2/1/2007
Rent Commencement Date	2/1/2007 (date of occupancy)
Lease Expiration Date	1/31/2022
Rent	2/1/07- 1/31/12 $800,000 $210.53/SF 2/1/12- 1/31/17 $880,000 $231.58/SF 2/1/17- 1/31/22 $968,000 $254.74/SF
Reimbursement Terms	100% of taxes over average of 06/07 and 07/08 base year ($23,261 estimated), utilities, water/sewer, 62.38% of bronze expense
Options	None noted
Other:	None
Leasable Area	3,800 square feet

New York Sports Club

Landlord:	Trump Park Avenue LLC
Tenant	TSI East 59, Inc
Lease Date	1/6/1994
Rent Commencement Date	10/1/1994 (date of occupancy)
Lease Expiration Date	3/31/2014
Rent	$755,813 $48.97/SF
Reimbursement Terms	100% of taxes over 04/05 tax base ($62,500 estimated), utilities, water/sewer,
Options	None noted
Other:	None
Leasable Area	15,435 square feet (includes mezzanine area and second floor space but not basement space)

We have reviewed the subject leases. The leases appear to be arms length transactions.

In addition, we have summarized the current rental rates on a rent roll dated April 6, 2010. It is presented on the following page:

SUBJECT RENT ROLL AS OF APRIL 8, 2010

Unit #	Unit SF	Terrace	Unit Type	Monthly Rent	Annual Rent	Rent/SF	Expiration Date
4A (RS)	1,149		3-1-1	$ 967.00	$ 11,604.00	$ 10.10	12/31/2010
3B	4,614	1,462	4/6.5	$ 30,000.00	$ 360,000.00	$ 78.02	7/31/2010
6B (RS)	1,638		5-2-2.5	$ 2,980.25	$ 35,763.00	$ 21.83	12/31/2010
6C	743		3-1-1	$ -	$ -	$ -	Vacant
7A (RS)	717		3-1-1	$ 1,329.33	$ 15,952.00	$ 22.25	10/31/2013
7B (RS)	1,641		5-2-2.5	$ 2,625.08	$ 31,501.00	$ 19.20	10/31/2013
7D (RS)	1,546		3-1-1	$ 3,768.33	$ 45,220.00	$ 29.25	3/31/2011
7E (RS)	795		3-1-1	$ 1,567.42	$ 18,809.00	$ 23.66	6/30/2014
7G (RS)	1,542		5-2-2	$ 3,182.00	$ 38,184.00	$ 24.76	4/30/2011
8E (RS)	1,017		3-1-1	$ 2,048.00	$ 24,576.00	$ 24.17	4/30/2011
8H (RS)	679		3-1-1	$ 1,477.25	$ 17,727.00	$ 26.11	10/31/2010
10E (RS)	810		3-1-1	$ 2,413.95	$ 28,967.40	$ 35.76	4/30/2010
12E (RS)	817		3-1-1	$ 1,897.00	$ 22,764.00	$ 27.86	12/31/2010
12J	693		3-1-1	$ 7,500.00	$ 90,000.00	$129.87	9/30/2010
15AB (RS)	2,408		5-2-2	$ 3,725.42	$ 44,705.00	$ 18.57	6/30/2011
19AB	3,211		7-3-3.5	$ 46,500.00	$ 558,000.00	$173.78	8/31/2010
PH20	7,132	1,526	13-7-8	$ 75,000.00	$ 900,000.00	$126.19	6/30/2010
PH21	7,132		13-7-8	$ 87,916.67	$1,055,000.00	$147.92	11/30/2011
PH23	6,224		11-5-6.5	$ 50,000.00	$ 600,000.00	$ 96.40	7/31/2010
PH24	6,192		11-5-6.5	$ 85,000.00	$1,020,000.00	$164.73	9/30/2010
PH27	4,164		7.5-4-5.5	$ 30,000.00	$ 360,000.00	$ 86.46	6/30/2011
PH28	4,164		7.5-4-5.5	$ 35,000.00	$ 420,000.00	$100.86	7/31/2010
PH31	6,299	4,921	7-5-6		$ -	$ -	Vacant
TOTAL	65,327	7,909		$474,897.70	$5,698,772.40	$ 87.23	
CAPITAL ONE	3,800		Commercial	$ 66,666.67	$ 800,000.00	$210.53	1/31/2022
NYSC	15,435		Commercial	$ 62,984.42	$ 755,813.00	$ 48.97	3/31/2014
TOTAL	19,235			$129,651.08	$1,555,813.00	$ 80.88	
GRAND TOTAL					**$7,254,585.40**		

Please note that 21 of the subject property's 23 residential units were occupied as of April 6, 2010. Unit #6C had recently become vacant and was undergoing renovation as of the date of value. The subject property's leasing agent projects the rent to be $4,500 per month for the one-bedroom unit. Penthouse 31/32 had recently undergone extensive renovations. It has been on the market for sale in excess of two years.

It is important to note that of the 21 apartments that are currently occupied, 6 are currently leased at below the maximum rent allowed by rent regulation. The discount is 2.5% on average.

In order to determine the market rent for the subject property's retail space, we have identified retail rentals in the subject property's submarket as well as competing submarkets. The date is summarized below:

Summary of Comparable Retail Leases

	Location	Size in SF	Inception Date	Annual Rent / SF	Building Type	Lease Terms	Comments
1	12 East 52nd St Plaza District	4,700	Listing	$250.00 $125.00	Ground Floor 2nd Floor	Modified gross and annual 3% steps	Similar location, good conditon
2	989 Third Avenue Upper East Side	2,300	Aug-09	$130.00	Ground Floor	Modified net w/base year taxes and annual 3% steps	Inferior location, corner, good conditon
3	1590 Second Avenue (Bet 83rd & 84th St)	2,300	May-09	$167.00	Mixed-Use	Modified net w/base year taxes and annual 3% steps	Inferior location, midblock, good condition
4	1461 Third Avenue (Bet 82nd & 83rd St)	3,200	Apr-09	$135.00	Mixed-Use	Modified net w/base year taxes and annual 3% steps	Inferior location, midblock, good condition
5	115 East 57th St Plaza District	2,100	Mar-09	$200.00	Mixed-Use	Utilities and inreases over base year for tax, annual 3% steps	Superior location, corner location, good condition
6	115-119 East 57th (Bet Lex & Park Ave)	3,650	September-08	$122.43	Mixed-Use	Modified gross and annual 3% steps	Similar location, good conditon

Comparable Lease Analysis

data analalys

Comparable Retail Rentals

Comp #	Subject	Lease # 1	Lease # 2	Lease # 3	Lease # 4	Lease # 5	Lease # 6
Location	502-504 Park Avenue Upper East Side	12 East 52nd Plaza	989 Third Avenue Upper East Side	1590 Second Avenue Upper East Side	1461 Third Avenue Upper East Side	228 East 58th St Upper East Side	115-119 East 57th Plaza
Tenant	NYSC/Capital One	TBD	S. Kuhlman	Ship of Fools	Vitamin Shoppe	Interieurs	Joseph Martin Salon
Lease Rate	48/210	$250.00	$130.00	$167.00	$135.00	$150.00	$122.43
Term		5-10 yrs	10	10	10	10	10
Lease Term	Tax over Base Year	Gross	Tax over Base Year	Tax over Base Year	Tax over Base Year	Tax Over Base Year	Tax over Base Year
Adjustment		$0.00	$0.00	$0.00	$0.00		$0.00
Lease Date	1994/2007	Listing	8/1/09	5/1/09	4/1/09	2/1/09	9/1/08
Adjustment		-15%	-8%	-10%	-10%	-12%	-15%
Preliminary Adjusted Rental Rate		$212.50	$119.60	$150.30	$121.50	$132.00	$104.07
Location	Excellent	Superior	Similar	Inferior	Inferior	Inferior	Similar
Adjustment		-10%	0%	20%	10%	10%	0%
Leased Area	9,618	4,700	2,300	2,300	3,200	2,950	3,650
Adjustment		-10%	-15%	-15%	-15%	-15%	-12%
Condition	Very Good	Similar	Inferior	Inferior	Inferior	Similar	Similar
Adjustment		0%	10%	10%	10%	0%	0%
Quality of Tenant	2 Nationals	Vacant	Local	Local	National	Local	Regional
Adjustment		15%	10%	10%	0%	10%	10%
Total Net Adjustments		-5%	5%	25%	5%	5%	-2%
Net Adjusted Rent		$201.88	$125.58	$187.88	$127.58	$138.60	$101.98

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Analysis Of Comparable Retail Rentals

The appraisers have investigated the subject market for comparable rental information of retail space. Five retail leases were reviewed and selected for presentation. The rentals reflect a variety of attributes found in the subject in terms of size and usage. The essential differences analyzed include market conditions, location, size, condition, and tenant quality.

Market Conditions: The comparables have all taken place since 2008. The real estate market peaked in late 2007/early 2008 and has since declined. Each of the leases has received a negative adjustment to account for this trend. In addition, Lease 1 is a current listing. Based on conversations with local real estate professionals, we estimated a discount of 15% to listings.

Location: There are several factors attributed to location; commercial density, demographic and economic indicators, as well as proximity to public transportation-particularly subway stations and whether it is located on a corner. Lease 1 is considered to be in a more desirable location, since 57th is a premier shopping destination. It received a negative adjustment for its location. Lease 2 is located at the corner of Third Avenue and 59th Street. It was considered to be in a similar location. No adjustment was necessary. Lease 3 is located on Second Avenue, between 83rd and 84th Street. It received a positive adjustment for its location on Second Avenue, which is less desirable than Park Avenue and the fact that it is located midblock. Lease 4 is located on Third Avenue between 82nd and 83rd Streets. It was considered to be in an inferior location along Third Avenue, which is less desirable than Park Avenue. It received a positive adjustment. Lease 5 is located on 58th Street between Second and Third Avenues. It was considered to be in an inferior location due to its location between Second and Third Avenues, which are less desirable than Park Avenue and the fact that it is midblock. It received a positive adjustment. Lease 6 is located along 57th Street between Lexington and Park Avenues. It was considered to be in a similar location; it's location on 57th Street was offset by its midblock location.

Size: The size adjustment takes into consideration both the square foot size of the lease comparables as compared to the subject. Rent for space on a per square foot basis usually decreases as the size increases. We have adjusted accordingly for the comparables based upon their size in comparison to the average size of the two subject property units.

Condition: The subject property was in very good condition at time of inspection. Leases 2, 3, and 4 were in inferior condition and each received a positive adjustment Leases 1, 5 and 6 were in similar condition; no adjustment was necessary.

Quality of Tenant: The subject units are currently occupied by two national tenants. This is considered to be more desirable, since there is less potential for default. Each of the comparables except Lease 4 received a positive adjustment for the fact that their tenants were either local or regional.

Based on our analysis of the comparable rentals we have made adjustments based on the subject property's location, size, tenant quality and condition. The range of comparables prior to adjustment is $122.00 to $250 per square foot. After making the appropriate market adjustments for differences of location, size, and tenant quality and condition; the adjusted range for the retail space shifts to $102 to $202 per square foot. The range has an average of $148 per square foot and a median of $136 per square foot. We estimate the market rental rate for the subject property to be $150 per square foot.

However, we have considered the subject leases as well as the fact that the Capital One lease was signed on February 2007 and that the New York Sports Club renewal was made in October 2008. According to local real estate professionals, banks tend to pay slightly higher than regular retail tenants. Therefore, we have accepted the contract rent as representative of the market. The New York Sports Club space is larger than the prevailing size in the market- 15,435 square feet. In addition, it includes mezzanine space, 2nd floor space and it has frontage only on 59th Street. We consider its current contract rate of $49 per square foot to be in line with the market.

Residential Market Rents

Next, we have reviewed current listings as well as recent residential rents at similar luxury buildings in the subject property's submarket. They are summarized on the following page:

Summary of Comparable Residential Leases

	Location	Size in SF	Unit Type	Inception Date	Annual Rent / SF	Building Type	Comments
1	502-504 Park Avenue Upper East Side	770	1BR/1BA	Listing	$124.68	Luxury Condo	Similar location, similar condition- subject building
		743	1BR/1BA	Pending	$62.18		
		2,244	3BR/3.5BA	Listing	$117.65		
		6,224	5BR/7.5BA	Listing	$144.60		
2	521 Park Avenue Upper East Side	811	1BR/1BA	Listing	$147.97	Luxury Condo	Similar location, similar condition
		2,000	2BR/2BA	Listing	$150.00		
		1,100	1BR/1.5BA	December-09	$52.91		
		1,536	2BR/2BA	January-09	$125.00		
3	525 Park Avenu Upper East Side	1100	1BR/1BA	Listing	$67.64	Luxury Condo	Similar location, similar condition
		1,384	2BR/2BA	April-10	$64.60		
		1,509	2BR/2BA	September-09	$95.43		
4	944 Park Avenue Upper East Side	1,100	1BR/1.5BA	April-10	$81.82	Luxury Condo	Inferior location, similar condition
		3,437	4BR/4.5BA	April-10	$113.47		
5	40 East 61st St Upper East Side	1,250	1BR/1.5BA	Listing	$66.24	Luxury Rental Building	Similar location, similar condition
		1,310	2BR/2BA	Listing	$72.37		
		950	1BR/1.5BA	April-10	$54.32		
		1,200	1BR/1.5BA	February-10	$45.00		
		2,500	3BR/4BA	September-09	$96.00		
6	205 East 59th St Upper East Side	1,100	1BR/1.5BA	Listing	$70.91	Luxury Condo	Simlar location, simlar condition
		1,700	3BR/2.5BA	Listing	$67.06		
		1,800	3BR/3.5BA	March-10	$63.33		
		1,100	1BR/1.5BA	March-10	$70.91		
		1,290	2BR/2BA	February-10	$74.42		
7	157 East 84th St Upper East Side	6,700	4BR/5.5BAPH	Listing	$87.76	Luxury Condo	Inferior location, similar condition
		4,400	3BR/3.5BA	March-10	$81.82		
		4,400	3BR/3.5BA	December-09	$65.32		

The rental rates for one bedroom apartments range from $45/SF to $148/SF. Since asking rents appear to be much higher than recent concluded transactions, we will rely on them less. Therefore, the range of concluded rentals is $45/SF to $82/SF. The average is $61/SF. Considering the subject property's location, amenities and finishes, we have estimated a rental rate of $70/SF for the subject property's one-bedroom units.

The rental rates for two bedroom apartments range from $65/SF to $150/SF. Since asking rents are much higher than recent concluded transactions, we will rely on them less. Therefore, the range of concluded rentals is $65/SF to $125/SF with an average of $95/SF. Considering the subject property's location, amenities and finishes, we have estimated a rental rate of $75/SF for the subject property's two-bedroom units.

The rental rates for three+ bedroom apartments range from $63/SF to $145/SF. Since asking rents are much higher than recent concluded transactions, we will rely on them less. Therefore, the range of concluded rentals is $63/SF to $113/SF with an average of $84/SF. Considering the subject property's location, amenities and finishes, we have estimated a rental rate of $85/SF for the subject property's three-bedroom units.

Income and Expense Assumptions

It was difficult to find rental comparables for penthouse units. The only rental was a listing $88/SF, which was below the current rental rates at the subject property. Considering the subject property's location, amenities and finishes, as well as recently concluded transactions, we have estimated a rental rate of $125/SF for the subject property's penthouse units.

Potential Gross Income

Rental Revenue: The potential gross income was based on contract rents for both commercial units, market rent for the vacant residential units (Units 6C and PH 31/32), contract rents for residential units that were in line with the market and market rent for the residential units whose rents were above market (Unit 12J and 19A). The potential gross income is calculated as follows:

POTENTIAL GROSS INCOME

Unit #	Unit SF	Terrace	Unit Type	Monthly Rent	Annual Rent	Rent/SF	Expiration Date
4A (RS)	1,149		3-1-1	$ 967.00	$ 11,604.00	$ 10.10	12/31/2010
3B	4,614	1,462	8-4-6.5	$ 30,000.00	$ 360,000.00	$ 78.02	7/31/2010
6B (RS)	1,638		5-2-2.5	$ 2,980.25	$ 35,763.00	$ 21.83	12/31/2010
6C	743		3-1-1	$ 4,334.17	$ 52,010.00	$ 70.00	Market @ $70/SF
7A (RS)	717		3-1-1	$ 1,329.33	$ 15,952.00	$ 22.25	10/31/2013
7B (RS)	1,641		5-2-2.5	$ 2,625.08	$ 31,501.00	$ 19.20	10/31/2013
7D (RS)	1,546		3-1-1	$ 3,768.33	$ 45,220.00	$ 29.25	3/31/2011
7E (RS)	795		3-1-1	$ 1,567.42	$ 18,809.00	$ 23.66	6/30/2014
7G (RS)	1,542		5-2-2	$ 3,182.00	$ 38,184.00	$ 24.76	4/30/2011
8E (RS)	1,017		3-1-1	$ 2,048.00	$ 24,576.00	$ 24.17	4/30/2011
8H (RS)	679		3-1-1	$ 1,477.25	$ 17,727.00	$ 26.11	10/31/2010
10E (RS)	810		3-1-1	$ 2,413.95	$ 28,967.40	$ 35.76	4/30/2010
12E (RS)	817		3-1-1	$ 1,897.00	$ 22,764.00	$ 27.86	12/31/2010
12J	693		3-1-1	$ 4,042.50	$ 48,510.00	$ 70.00	Market @ $70/SF
15AB (RS)	2,408		5-2-2	$ 3,725.42	$ 44,705.00	$ 18.57	6/30/2011
19AB	3,211		7-3-3.5	$ 22,744.58	$ 272,935.00	$ 85.00	Market @ $85/SF
PH20	7,132	1,526	13-7-8	$ 75,000.00	$ 900,000.00	$126.19	6/30/2010
PH21	7,132		13-7-8	$ 87,916.67	$1,055,000.00	$147.92	11/30/2011
PH23	6,224		11-5-6.5	$ 50,000.00	$ 600,000.00	$ 96.40	7/31/2010
PH24	6,192		11-5-6.5	$ 85,000.00	$1,020,000.00	$164.73	9/30/2010
PH27	4,164		7.5-4-5.5	$ 30,000.00	$ 360,000.00	$ 86.46	6/30/2011
PH28	4,164		7.5-4-5.5	$ 35,000.00	$ 420,000.00	$100.86	7/31/2010
PH31	6,299	4,921	7-5-6	$ 65,614.58	$ 787,375.00	$125.00	Market @ $125/SF
TOTAL	65,327	7,909		$ 517,633.53	$ 6,211,602.40	$ 95.08	
CAPITAL ONE	3,800		Commercial	$ 66,666.67	$ 800,000.00	$210.53	1/31/2022
NYSC	15,435		Commercial	$ 62,984.42	$ 755,813.00	$ 48.97	3/31/2014
TOTAL	19,235			$ 129,651.08	$ 1,555,813.00	$ 80.88	
GRAND TOTAL					**$ 7,767,415.40**		

Income and Expense Assumptions

Reimbursements

The commercial tenants reimbursement for taxes, electricity and water and sewer, as well as bronze maintenance. Historical reimbursements were $3.02/SF in 2009 and $1.75/SF in 2008. We have estimated $3.03/SF based on historical.

Misc. Income

The subject property had a historical miscellaneous income of $1.84/SF in 2009 and $1.63/SF in 2008. We have estimated $1.77/SF based on historical

Vacancy & Collection Loss

A vacancy loss factor will be considered to account for downtime between leases. Based upon our market analysis and conversations with market participants, the market is soft in general. We are estimating a general vacancy loss of 7.5%.

Effective Gross Income

Effective gross income (EGI) is the anticipated income from all operations of the real property adjusted for vacancy and collection losses. This adjustment covers losses incurred due to turnover, and nonpayment of rent by tenants. We have estimated effective gross income at $7,560,872

Operating Expenses

Representatives of the subject owner presented the appraiser with historical expenses for 2008 and 2009. They are presented below:

BORROWER'S ACTUAL HISTORICAL EXPENSES

	2009		2008	
Residential Income	$5,032,017.00	$59.51	$4,965,362.00	$58.72
Commercial Income	$1,533,799.00	$18.14	$1,502,797.00	$17.77
Storage Room Income	$1,500.00	$0.02	$11,500.00	$0.14
Bronze Income	$6,571.00	$0.08	$6,571.00	$0.08
Reimbursements	$255,032.00	$3.02	$147,623.00	$1.75
Misc	$155,360.00	$1.84	$138,191.00	$1.63
TOTAL	$6,984,279.00	$82.59	$6,772,044.00	$80.08
Repair & Maintenance	$34,832.00	$0.41	$57,763.00	$0.68
Common Area Maintenance	$1,254,571.00	$14.84	$1,255,951.00	$14.85
Taxes	$1,565,065.00	$18.51	$1,447,432.00	$17.12
TOTAL	$2,854,468.00	$33.76	$2,761,146.00	$32.65
NOI	$4,129,811.00	$48.84	$4,010,898.00	$47.43

We have also identified comparable buildings for which historical expenses were available. They are summarized below:

Expense Comparables

Address	800 5th Ave	530 Park Ave	118 East 60th St	771 Madison Ave	570 Park Ave	550 Park Ave
Year	*2008*	*2008*	*2007*	*2007*	*2007*	*2007*
Fuel	0.73	1	$0.95	$0.72	$0.62	$0.83
Utilities	0.81	1.09	$0.76	$0.31	$0.34	$0.24
Payroll	4.19	6.19	$3.23	$2.50	$6.20	$6.13
Repairs and Maintenance	3.22	1.35	$0.75	$1.00	$1.03	$2.21
Management and Admin	3.69	2.2	$0.22	$2.42	$0.41	$0.39
Insurance	0.47	0.58	$0.62	$0.32	$0.26	$0.30
Water and Sewer	0.29	0.16	$0.45	$0.05	$0.02	$0.30
Misc	1.92	0.19	$2.98	$0.10	$0.79	$0.26
TOTAL	$15.32	$12.76	$9.96	$7.42	$9.67	$10.66

Please note that comparable expenses before taxes range from $7.42 to $15.32/SF. The subject property's historical expenses before taxes were $15.25/SF for 2009 and $17.80/SF for 2008. They are at the upper range presented by the comparables.

Real Estate Taxes

The real estate taxes are based on the 2010-2011 tax assessment and 2009-10 tax rate for the subject. As detailed in an earlier section of this report, the tax expense for the property is estimated at $1,429,958. This is slightly lower than either 2009 or 2008.

Insurance

This expense item relates to general liability insurance. The insurance expense is included in the common area expense in historical expense. Comparables a range between $0.26/SF to $0.62/SF. We have estimated an expense of $0.75/SF.

Repairs & Maintenance

Repairs and maintenance expense relates to the general upkeep and maintenance of the property. The two commercial tenants are responsible for maintaining only their interior. Therefore, the landlord has to maintain all common areas. Historical estimates ranged from $0.41/SF in 2009 to $0.68/SF in 2008. The comparable present a range between $0.75/SF and $3.22/SF. The appraisers have estimated a stabilized expense of $1.00 per square foot, based on historical expenses.

Payroll

Payroll expense relates to the salaries of maintenance and administrative staff, as well as the cost of their benefits. This expense is included in the common area expenses for the subject historical statements. The comparables present a range of $2.50/SF to $6.19/SF. We have estimated a stabilized expense of $4.00/SF.

Income and Expense Assumptions

Common Area Utilities

Common area utilities refer to the lighting and air-conditioning of common area hallways as well as the front lobby. This expense is included in the common area expense in the subject property's historical statements. Common area utilities expense at comparable properties range from $0.24/SF to $1.09/SF. We have estimated $0.50/SF.

Fuel

Fuel refers to the heating expense. The subject property is heated via city steam. This expense is included in the common area expense in the subject property's historical statements. Fuel expense at comparable properties ranges from $0.62/SF to $1.00/SF. We have estimated $1.00/SF.

Water and Sewer

Water and sewer expense refers to residential tenants only. The commercial tenants reimburse their expense. This expense is included in the common area expense in the subject property's historical statements. Water and sewer expense at comparable properties range from $0.02/SF to $0.45/SF. We have estimated $0.50/SF.

Structural Reserve

Structural reserve refers to the reserve associated to the periodical maintenance and replacement of components of the property's structure. Based on our in-house data of comparable reserves, we have estimated a structural reserve of $0.25 per square foot.

Management & Legal

This is an all inclusive expense category including rent collection, legal fees, accounting, and miscellaneous items. Market participants typically calculate this expense at 5% of effective gross income.

Estimate of Capitalization Rate

In our analysis, estimation of a discount rate analyzed several market related indicators and methods were considered. The quantity and quality of available data determines which rate indications are most appropriate. The appraisers have considered the following:

A) Extraction from Available Market Data

B) Investor Surveys

C) Review of Competing Investments

D) Band of Investment Technique

A. Market Rates Extracted from Sales: N/A

B: Investor Surveys:

Table 26
NATIONAL APARTMENT MARKET
First Quarter 2010

	CURRENT QUARTER	LAST QUARTER	YEAR AGO
DISCOUNT RATE (IRR)[a]			
Range	6.50% – 14.00%	6.50% – 14.00%	6.00% – 14.00%
Average	10.18%	10.17%	9.05%
Change (Basis Points)		+ 1	+ 113
OVERALL CAP RATE (OAR)[a]			
Range	5.00% – 11.00%	5.75% – 11.00%	3.80% – 9.50%
Average	7.85%	8.03%	6.88%
Change (Basis Points)		– 18	+ 97
RESIDUAL CAP RATE			
Range	5.00% – 11.00%	5.75% – 10.75%	5.00% – 9.00%
Average	8.01%	8.19%	7.35%
Change (Basis Points)		– 18	+ 66
MARKET RENT CHANGE RATE[b]			
Range	(10.00%) – 3.00%	(10.00%) – 3.00%	(3.00%) – 5.00%
Average	(0.91%)	(0.90%)	1.74%
Change (Basis Points)		– 1	– 265
EXPENSE CHANGE RATE[b]			
Range	0.00% – 4.00%	0.00% – 3.00%	2.50% – 3.00%
Average	2.55%	2.55%	2.93%
Change (Basis Points)		0	– 38
AVERAGE MARKETING TIME[c]			
Range	1.00 – 18.00	1.00 – 18.00	2.00 – 12.00
Average	8.06	8.86	6.70
Change (%)		– 9.03	+ 20.30

a. Rate on unleveraged, all-cash transactions b. Initial rate of change c. In months

Current capitalization rates have fallen slightly for the first quarter 2010 to 7.85% from 8.03% in fourth quarter 2009 and up slightly from first quarter 2009 (6.88%).

C: Review of Competing Investments

Theoretically, the discount rate combines several reward entities into a single rate of return on capital, which is used to convert future payments into receipts of present value. This rate reflects a number of factors including risk, market perception about future inflation, alternative investments, rates of return on comparable properties, availability of mortgage funds, and possible tax shelter advantages. As a result, this rate may be viewed as a minimum rate of return or a safe rate plus a premium for risk, illiquidity, and the burden of management. Although the discount rate tends to be a blend of mortgage yield requirements (Y_m) and equity yield requirements (Y_e), a review of equity and debt instruments in the capital and money market is useful in equating the differences in available investments that compete for investment capital and create prospective discount rates.

MONEY & CAPITAL MARKET BENCHMARKS

Money Market Rates (short term):

Federal Reserve Discount Rate	0.75%
3 Month Treasury Bills	0.16%
6 Month Treasury Bills	0.24%
Prime Lending Rate	3.25%
Federal Funds Rate	0.21%

Capital Market Rates (long term):

5 Year Treasury Notes	2.57%
10 Year Treasury Notes	3.85%
Municipal Bonds (10 Year AAA)	5.07%
Corporate Bonds (10 Year AAA)	5.28%
Corporate Bonds (10 Year BBB)	6.36%

Effective Date of Rate Survey: April 16, 2010

Source: *H15 Statistical Release*

D: Estimates by Accepted Appraisal Techniques

The overall capitalization rate can be estimated by analysis of equity and mortgage requirements. The derivation of an overall capitalization rate by this method is based on several market rates and assumptions.

Holding Period	10 years
Equity Requirement	30%
Equity Yield Rate	9.0%
Mortgage Interest Rate	6.50%
Mortgage Term	25 Years
Mortgage (%)	70%
Value Change Per Year	0.5%

The overall capitalization rate indicated through this technique is **7.00%**. The above assumptions used to estimate an overall rate were based on current commercial lending parameters at regional lending institutions.

In the current economic climate it is not considered appropriate to include an appreciation factor in the derivation of overall capitalization rates. However, a significant portion of the subject property is leased at below market rates. Some consideration for property appreciation is therefore warranted.

Rate Selection

MORTGAGE - EQUITY ANALYSIS

ASSUMPTIONS:	
MORTAGE TERM (YRS)	25
INTEREST RATE (Rm)	6.50%
MORTGAGE % (M)	70.00%
EQUITY RATE (Y)	9.00%
HOLDING PERIOD (n)	10
VALUE CHANGE PER YR	0.5%

OVERALL CAP RATE	7.00%

WEIGHTED AVERAGE COST OF CAPTIAL

MORTAGE RATIO x ANNUAL MORTAGE CONSTANT
EQUITY RATIO x EQUITY YIELD RATE

0.70	x	0.081025	=	0.056717
0.30	x	0.09	=	0.027
			Discount Rate =	0.083717

EQUITY BUILD UP

LOAN RATIO x PAID OFF LOAN RATIO x SINKING FUND FACTOR

0.70	x	0.2248864	x	0.06582009	=	(0.010361)
					r =	0.073356

COMPOUNDED VALUE CHANGE

COMPOUNDED CHANGE x SINKING FUND FACTOR

0.0511401	x	0.06582009	=	(0.003366)
			R =	0.069990

OVERALL CAP RATE (ROUNDED) R = 7.00%

CALCULATE P (PERCENTAGE PAID OFF OF MORTAGE)

$$\frac{RM - I}{RMp - I} = (P) \qquad \frac{0.081025 \quad -0.065}{0.136258 \quad -0.065} = \frac{0.0160249}{0.0712576} = 0.224886$$

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Rate Selection

Reconciliation of Rates: Assuming sufficient data, the best indicator of cap rates are rates extracted from recent actual sales. The other three methods are useful as support, but do not offer direct support for an overall rate conclusion.

Conclusion: Based on the preceding analysis, an **overall rate of 7.0%** is deemed appropriate for this property.

Direct Capitalization of Income

STABILIZED OPERATING STATEMENT

502 Park Ave, 23 Residential, 2 Commercial Units			
84,562	**Floor area**	**SF**	
Potential Gross Income			**$ / Year**
Potential Gross Income		$91.85	$ 7,767,415.40
Reimbursements		$3.03	$256,500
Misc Income		$1.77	$150,000
Vacancy & Collection Loss:	7.5%	($7.25)	($613,044)
Effective Gross Income		$89.41	$ 7,560,872
Operating Expenses		**$/SF**	
Taxes		$16.91	$ 1,429,957.58
Insurance		$0.75	$63,422
Repairs and Maintenance		$1.00	$84,562
Payroll		$4.00	$338,248
Common Area Utilities		$0.50	$42,281
Fuel		$1.00	$84,562
Water and Sewer		$0.50	$42,281
Reserves		$0.25	$21,141
Management	5.0%	$4.47	$378,044
Total Expenses:		-$29.38	($2,484,497)
Net Operating Income			$5,076,375
Capitalization Rate	7.00%		
Capitalized Value			**$72,519,637**
STABILIZED VALUE Rounded	$857 /SF		**$72,500,000**

Based on the previous analysis and assumptions, the estimated "as is" market value as of April 6, 2010 by the Income Capitalization Approach is:

SEVENTY TWO MILLION FIVE HUNDRED THOUSAND DOLLARS

$72,500,000

Reconciliation

The values indicated by the approaches used in this analysis are:

THE COST APPROACH:... $N/A

THE SALES COMPARISON APPROACH: $164,000,000

THE INCOME APPROACH: $72,500,000

The market for the subject property type is both owner-users on an individual unit basis as well as investors on both an individual and bulk unit basis. Both the Sales Comparison Approach and Income Approach reflect the actions of the market. However, the Income Approach received more weight since it contained more recent data.

It is the opinion of the appraiser that the estimated market value of the Leased Fee Estate of the subject property, "As Is", as of April 6, 2010, is:

SEVENTY TWO MILLION FIVE HUNDRED THOUSAND DOLLARS

$72,500,000

The Sum of the Gross Sellout as October 1, 2011 is estimated to be:

ONE HUNDRED SIXTY FOUR MILLION DOLLARS

$164,000,000

(Addenda and Exhibits)

Engagement Letter ....

Appraiser Qualifications ....

Appraiser's Qualifications

Frank Trupia, MAI (#12033)

EXPERIENCE:

Engaged in appraisal analysis since 1991. Experienced in the appraisal of all types of income producing properties including industrial, retail, office, apartment, mixed-used and vacant land located throughout the state of New Jersey and southern New York State including the five boroughs of New York City and Long Island.

11/2005-Present	**The Oxford Group Appraisal and Consultation, Inc.**, New York, NY Vice President / Manager
8/1994 – 11/2005	**The Oxford Group Appraisal and Consultation, Inc.**, Morris Plains, NJ Appraiser
1/1994 - 8/1994	**R. W. Dickey and Associates** - Closter, NJ Senior Associate
1991 - 1993	**Haber Associates** - Fort Lee, NJ Senior Associate

EDUCATION:

Bachelor of Science, Management - **Rutgers University** - Newark, NJ
Concentration: Finance

MAI, **The Appraisal Institute**, Chicago IL

PROFESSIONAL AFFILIATIONS:

Northeast New Jersey Chapter of the Appraisal Institute, Designated Member

LICENSES:

State Certified General Real Estate Appraiser - New Jersey - SCGREA RG # 01346
Certified General Real Estate Appraiser - New York - # 46000044549

Appraiser's Qualifications

Anastasia Friedman

EXPERIENCE:

Engaged in appraisal analysis since 2002. Specializing in realty appraisals of all types of properties, property tax consulting, with respect to county and state tax boards, marketability and feasibility studies, as well as other related real estate advisory services. Experienced in the appraisal of all types of income producing, industrial, retail, office, apartment, mixed-used and vacant land located throughout the state of New Jersey and New York metro area.

1/06 - Present — **The Oxford Group Appraisal and Consultation, Inc.** –
New York, NY
Real Estate Appraiser

2/05-12/05 — **R.D. Clifford Associates,** Montvale, NJ
Real Estate Appraiser - Consultant

11/02-12/04 — **Rosin & Associates, Inc** New York, NY
Real Estate Appraiser - Consultant

EDUCATION:

Economics-Financial Statistics and Applied Math Concentration- **Columbia University**- 2001.

PROFESSINAL:

MAI Candidate, **The Appraisal Institute**

Real Estate Appraisal Courses:

Principles of Real Estate Appraisal (R-101) 2005
Standards of Professional Practice; USPAP; 2005
Appraisal of Condominium or PUD (R-102), 2005
Appraising Small Residential Income Properties (R-103), 2005
Narrative Report Writing (G-102); 2005
Advanced Income Capitalization (510). 2005

LICENSES:

Certified General Real Estate Appraiser– New York - 46000047779
State Certified General Real Estate Appraiser - New Jersey – 42RG00206700