

40 Wall Street LLC a prepared by client →  
 Consolidated Statement of Income, Expenses and Members' Deficit – Income Tax Basis  
 Year Ended December 31, 2011  
 (See Independent Accountants' Review Report)

	PBC	
<b>Revenues</b>		
Rental income		\$ 25,140,302
Other income		206,439
Lease termination income		39,616
		25,386,357
<b>Expenses</b>		
Real estate tax escalation		7,107,583
Rent		2,180,965
Utilities		2,000,268
Administrative payroll and related costs		103,040
Cleaning services and rubbish removal		2,735,580
Elevator maintenance		497,664
Heating, ventilating and air conditioning maintenance		1,374,686
Other repairs and maintenance		366,948
Advertising		6,122
Professional fees		353,745
Insurance		1,381,901
Water and sewer		185,792
Interest attributable to operations		9,249,660 <i>Out</i>
Management fee		720,686
Security		855,361
Other operating		139,768
Depreciation		4,432,054 <i>Out</i>
Amortization		1,387,651
Bad debts		351,086
Loss on abandonment of tenant improvements		1,071,270
		36,501,830

<b>Expenses in excess of revenues - income tax basis</b>		(11,115,473)
Members' deficit - income tax basis - beginning of year	36,501,830.00 +	
Capital contributed by members	9,249,660.00 -	(80,924,354)
Capital distributed to members	4,432,054.00 -	
	1,387,651.00 -	13,563,500
	351,086.00 -	
	1,071,270.00 -	(600,000)
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<b>Members' deficit - income tax basis - end of year</b>	20,010,109.00 *	<b>\$ (79,076,327)</b>
	20,010,109.00 x	
	1.03 =	
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	20,610,412.27 *	

2500.01

The accompanying notes are an integral part of these financial statements.

PX-794

Index No. 452564/2022 (AFE)

average 4.31%

2500.01

SALES ECONOMIC INDICATORS - DOWNTOWN MANHATTAN									
No.	Sales Date	Property Name	Price	Price/ NRA	EGIM	OAR	Forecast	IRR	Terminal OAR
1	Contract	222 Broadway	\$230,000,000	\$292	9.92	3.62%	13	7.50%	5.50%
2	Contract	4 New York Plaza	\$270,000,000	\$241	8.62	4.23%	11	8.00%	6.00%
3	Apr-12	14 Wall Street	\$303,000,000	\$298	11.37	4.39%	10	8.00%	5.50%
4	Jan-12	33 Maiden Lane	\$207,500,000	\$332	9.64	4.74%	10	8.00%	5.50%
5	Nov-11	195 Broadway	\$287,000,000	\$274	8.28	6.30%	10	9.00%	6.00%
6	Oct-11	93 Worth Street	\$49,750,000	\$302	9.74	6.32%	10	8.00%	6.00%
7	Jul-11	120 Broadway	\$525,000,000	\$283	6.91	6.74%	10	8.00%	6.00%
8	Apr-11	72 Wall Street	\$46,000,000	\$142	--	--	--	--	--

\* Compiled by Cushman & Wakefield Valuation & Advisory

**COMPARABLE OFFICE BUILDING SALES**  
**Downtown Manhattan**

SUMMARY OF IMPROVED SALES														
No.	Property Name Location	Physical Data				Sale Data			Financial Data					
		Land Area (SF)	Net Rentable Area (SF)	Year Built	No. Stories	Sale Date	Grantor/ Grantee	Price	Price/NRA	NOI/SF	OAR	Occupancy at Sale	EGIM	Financing
1	222 Broadway Blw Fulton & Ann Streets Downtown, Manhattan	33,340	786,931	1961	31	Apr-12 Contract	Bank of America, N.A. / Beacon Capital & L&L Acquisitions	\$230,000,000	\$292.27	\$10.57	3.62%	79%	9.92	Cash
Comments:		Sale of a modern 31-story Class A minus office property built in 1961. The property was fully occupied by Bank of America, N.A. who sold the property to a partnership between Beacon Capital & L&L Acquisitions. Bank of America, N.A. will leased back subject to a 10-year triple-net ("NNN") lease for 595,953 square feet or 76 percent of the property's rentable area. The net rent is \$15.25 per square foot for the office floors for the first five years increasing to \$20.25 per square foot for the remainder of the lease term. The current overall capitalization rate is 3.62 percent and increases to 5.5 percent by year three of the holding period.												
2	4 New York Plaza Blw Water & South Streets Downtown, Manhattan	54,023	1,121,753	1969	22	Apr-12 Contract	Harbor Group International, LLC / Edge Fund Advisors	\$270,000,000	\$240.69	\$10.19	4.23%	95%	8.62	Cash
Comments:		Sale of a modern 22-story Class A office property built in 1969. The property had been occupied by JPMorgan Chase Bank as back office space. JPMorgan Chase Bank sold the property to Harbor Group International, LLC in December 2009 and leased back the floor 3 and floors 6 through 22 at a gross rent of \$27.50 per square foot with subsequent increases for a 15-year lease with seven, 5-year renewal options at 90 percent of fair market rent. Daily News leased floors 6 and 7 in November 2010 and American Media Inc. leased floors 2 and 4 in January 2011. The property is currently 95 percent leased with one vacant space on floor 5. The property was previously sold by JPMorgan Chase Bank to Harbor Group International, LLC in December 2009 for \$107 million. The current overall capitalization rate is 4.23 percent and increases to 6.0 percent by year two of the holding period.												
3	14 Wall Street N/W/C Nassau Street Downtown, Manhattan	33,087	1,016,723	1912	37	Apr-12	Capstone Equities/ Roza 14W LLC c/o Alexander Rovt	\$303,000,000 100% Interest	\$298.02	\$13.08	4.35%	82%	11.37	Cash
Comments:		Sale of a landmarked Class A minus office building located on the westerly blockfront of Nassau Street between Wall and Pine Streets in the Financial East office submarket of Downtown Manhattan. A Russian investor, Roza 14W LLC c/o Alexander Rovt acquired a 95 percent interest in the property from a partnership with Capstone Equities and Carlyle Group at a purchase price that equals \$300 million based on 100 percent interest. The operating partner, Capstone Equities, will retain approximately a 5 percent interest and Carlyle Group will exit the partnership. The property is currently 82 percent leased, which will decrease to 74 percent with near term tenant expiration. The capital influx has also reduced its mortgage by \$75 million, to \$255 million. The current overall capitalization rate is 4.26 percent and increases to 6.0 percent by year three of the holding period.												
4	33 Maiden Lane N/E/C Nassau Street New York, New York	25,586	624,124	1984	27	Jan-12	Invesco / Federal Reserve Bank	\$207,500,000	\$332.47	\$15.75	4.74%	86%	9.64	Cash
Comments:		Sale of a Class A office building located on the easterly blockfront of Nassau Street between John Street and Maiden Lane. The property had previously been in contract with Vornado who intended to purchase the building. However, the Federal Reserve Bank, which is the largest tenant in the building, exercised rights in their lease agreement allowing it the option to match Vornado's offer for the building. The Federal Reserve Bank leases over 73 percent of the building. The Federal Reserve Bank lease expires in August 2023. Their current net rent is \$20.00 per square foot, increasing to \$22.75 per square foot in September 2013 and \$25.50 per square foot in September 2018.												

COMPARABLE CLASS A OFFICE BUILDING SALES  
Downtown Manhattan

SUMMARY OF IMPROVED SALES (CONTINUED)

No.	Property Name Location	Physical Data				Sale Data			Financial Data					
		Land Area (SF)	Net Rentable Area (SF)	Year Built	No. Stories	Sale Date	Grantor/ Grantee	Price	Price/NRA	NOI/SF	OAR	Occupancy at Sale	EGIM	Financing
5	195 Broadway B/w Dey & Fulton Streets Downtown, Manhattan	36,775	1,047,287	1913/1985	29	Nov-11	GE Capital/ Beacon Capital	\$287,000,000 100% Interest	\$274.04	\$17.26	6.30%	86%	8.28	Cash
Comments:		Sale of a landmarked Class A office building to Beacon Capital, who acquired a 95 percent interest in the property from GE Capital at a purchase price that equals \$237 million based on 100 percent interest. In 2005, a joint venture of GE Asset Management and L&L Acquisitions acquired the majority interest in property for \$270 million. L&L Acquisitions is retaining its minority interest, leasing and management of the property. Built in 3 phases from 1913 to 1924, and substantially renovated in the mid 1980's, the building was built as the headquarters for AT&T and is the site of the first transatlantic call, made to London. At the time of the sale, L&L Acquisitions had not received approval from the Landmarks Preservation Commission to add retail space to the lobby and renovate the building.												
6	93 Worth Street A/K/A 335 Broadway N/W/C of Broadway Downtown, Manhattan	12,422	165,000	1924	13	Oct-11	Worldwide Holdings, LLC / ICI-Izaki Group Investments	\$49,750,000	\$301.52	\$19.06	6.32%	86%	9.74	Cash
Comments:		Sale of a Class B office building located in the City Hall office submarket of Downtown Manhattan. Approximately 75 percent of the property is leased to the New York City Department of Mental Health who is scheduled to relocate to new facilities. The building was marketed for sale for potential condominium conversion. The building features a recently renovated lobby and elevators.												
7	120 Broadway B/w Pine & Cedar Streets Downtown, Manhattan	49,614	1,853,994	1915/2005	40	Jul-11	CalSTRS/ UBS Realty Investors Fund	\$525,000,000 Leasehold 100% Interest	\$283.17	\$19.09	6.74%	90%	6.91	Cash
Comments:		Sale of a landmarked class A minus office building to UBS Realty Investors Fund Trust, who acquired a 65 percent interest in the property from CalSTRS at a purchase price that equals \$525 million based on 100 percent interest. Over 25 percent of the property is leased to the New York City Department of Law. The building was extensively renovated between 1995 and 2005. In 2004, Calstrs acquired a majority interest for \$370 million. Silverstein Properties has a minority interest and the management of the property. The property is subject to a ground lease to 120 Broadway LLC c/o Estate of Sarah Korein that expires in July 31, 2018. There are 45 successive renewal option periods of 21 years each and one additional period of 12 years at \$850,000 per annum.												
8	72 Wall Street N/W/C of Pearl Street Downtown, Manhattan	22,014	322,968	1925	13	Apr-11	Youngwoo & Associates / SouFun Holdings	\$46,000,000	\$142.43	N/A	N/A	0%	N/A	Cash
Comments:		Sale of a Class B office building located in Downtown Manhattan. The property is the New York headquarters of American International Group (AIG) who sold the building, along with 70 Pine Street, to Youngwoo & Associates. The buildings at 70 Pine Street and 72 Wall Street are connected by a skywalk. The buyers intend to hold the property for future conversion to a mixed-use residential and retail building. The property was previously purchased in May 2009 by Youngwoo & Associates from American International Group (AIG) for \$35 million.												

STATISTICS													
LOW	12,422	165,000	1912						\$142.43	\$10.19	3.62%	0.00%	
HIGH	54,023	1,853,994	1984						\$332.47	\$19.09	6.74%	95.00%	
MEAN	33,358	867,348	1946						\$270.58	\$15.00	5.19%	75.49%	
MEDIAN	33,214	901,827	1943						\$287.72	\$15.75	4.74%	85.77%	