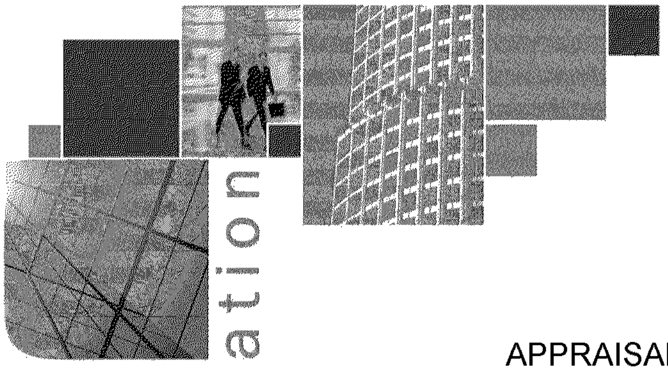


APPRAISAL OF REAL PROPERTY

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

IN A SELF-CONTAINED APPRAISAL REPORT
As of November 1, 2011

Prepared For:
Capital One Bank
404 Fifth Avenue, 4th Floor
New York, New York 10018

Prepared By:
Cushman & Wakefield, Inc.
Valuation & Advisory
1290 Avenue of the Americas
New York, NY 10104
C&W File ID: 11-12002-902528
CONFIDENTIAL

PX-1573
Index No. 452564/2022 (AFE)

CUSHMAN & WAKEFIELD®
VALUATION & ADVISORY

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

CUSHMAN & WAKEFIELD.
VALUATION & ADVISORY

CUSHMAN & WAKEFIELD, INC.
1290 AVENUE OF THE AMERICAS
NEW YORK, NY 10104

November 15, 2011

Ms. Tara Boyan
Capital One Bank
404 Fifth Avenue, 4th Floor
New York, New York 10018'

Re: Appraisal of Real Property
In a Self-Contained Report

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

C&W File ID: 11-12002-902528

Dear Ms. Boyan:

In fulfillment of our agreement as outlined in the Letter of Engagement, we are pleased to transmit our appraisal of the above property in a self-contained report dated November 15, 2011. The effective date of value is November 1, 2011.

This report was prepared for Capital One Bank and is intended only for its specified use. It may be distributed to the client's attorneys, accountants, advisors, investors, lenders, potential mortgage participants and rating agencies. It may not be distributed to or relied upon by other persons or entities without 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.

MARKET VALUE AS IS

Based on the agreed to Scope of Work, and as outlined in the report, we have developed an opinion that the market value of the **leasehold estate** of the referenced property, subject to the assumptions and limiting conditions, certifications, extraordinary and hypothetical conditions, if any, and definitions, "As-Is" on November 1, 2011, is:

TWO HUNDRED MILLION DOLLARS

$200,000,000

PROSPECTIVE MARKET VALUE

Based on the agreed to Scope of Work, and as outlined in the report, we have developed an opinion that the prospective market value of the **leasehold estate** of the referenced property, subject to the assumptions, limiting conditions, certifications, and definitions, on November 1, 2014, will be:

TWO HUNDRED SEVENTY MILLION DOLLARS

$270,000,000

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
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
Senior Managing Director - Regional Manager
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

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 1,181,691 square feet of net rentable area (1,061,266 square feet of gross building area) on a 34,360 square foot parcel of land. The subject property was remeasured by the owners based on a 27.00 percent loss factor, which is consistent in the market. It has been our experience that 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. These examples assume a full floor tenant. The loss factors are greater for partial floor tenancies. Based on the rent roll, the current net rentable area is 1,162,575 square feet, while the future remeasured net rentable area is 1,181,691 square feet once the leases that is not remeasured expire. As these leases expire, tenants will be paying rent based on their remeasured area, which is standard in the market. It should be noted that throughout this appraisal we have analyzed the subject property based on the remeasured net rentable area of 1,181,691 square feet. The comparable sales and comparable rentals in this appraisal were also analyzed based on their remeasured net rentable areas.
Assessor's Parcel Number:	Lot 2 in Block 43
Interest Appraised:	Leasehold Estate
Dates of Value:	November 1, 2011 "As Is" November 1, 2014 "Prospective Market Value"
Date of Inspection:	November 2, 2011

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 72.88 percent leased to 50 office tenants and four retail tenants. There are 24 vacant office spaces within the property totaling 290,057± square feet. In addition, there are four vacant retail spaces on the ground floor and second floor totaling 16,211± square feet and six vacant storage spaces in the basement totaling 14,147± square feet available for lease.
Current Property Taxes	
2011/2012 Property Assessment:	$71,000,000
2011/2012 Property Taxes:	$7,207,920
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 (There is no 13th floor.)
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:	1,162,575 square feet (Per Rent Roll/Leases)
	1,181,691 square feet (Remeasured)

VALUE INDICATORS

SALES COMPARISON APPROACH:

Indicated Prospective Market Value:	$355,000,000 (As of November 1, 2014)
Less: Value of Ground Lessor's Position:	$84,000,000 (As of November 1, 2014)
Indicated Value "As Is" (Leasehold Estate):	$271,000,000 (As of November 1, 2014)

INCOME CAPITALIZATION APPROACH

DISCOUNTED CASH FLOW

Projection Period:	15 years	
Holding Period:	14 years	
Start Dates:	November 1, 2011 “As Is”	
	November 1, 2014 “Prospective Market Value”	
Classification – Office Leases		
Major Office Tenants:	Greater than 20,000 square feet	
Minor Office Tenants:	Less than 20,000 square feet	
Market Rental Rate-Office (Year 1):	Floors	Rent
	Floors 3-22	$32.00/sf
	Floors 23-33	$34.00/sf
	Floors 34-49	$40.00/sf
	Floors 50-63	$44.00/sf
Market Rental Rate-Retail (Year 1):	Space	Rent
	Wall Street Small	$150.00/sf
	Wall Street Large	$65.00/sf
	Pine Street	$60.00/sf
	Second Floor	$35.00/sf
	Lobby	$40.00/sf
	Basement	$10.00/sf
Market Rental Rate-Storage (Year 1):	$10.00/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:	$45.00 per square foot
Retail Tenants:	None
Storage Tenants:	None
Tenant Improvement – Renewing Leases	
Major Office Tenants:	$25.00 per square foot
Minor Office Tenants:	$22.50 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 60%; effective vacancy is 3 months.)
Vacancy and Credit Loss:	5.00% (average; applied to all tenants)
Terminal Capitalization Rate:	7.00% (applied to reversion year net operating income)
Transaction Costs in Reversion Sale:	4.00% (includes brokerage, legal fees and estimated transfer taxes)
Discount Rate:	8.50% (see Discount Rate Analysis)
Date of Market Value “As Is”:	November 1, 2011
Indicated Value “As Is”:	$200,000,000 (As of November 1, 2011)
Implicit First year Capitalization Rate:	3.18%
Date of “Prospective Market Value”:	November 1, 2014
Indicated “Prospective Market Value”:	$270,000,000 (As of November 1, 2014)
Implicit First year Capitalization Rate:	7.42%

DIRECT CAPITALIZATION

Net Operating Income:	$20,029,267 (As of November 1, 2014)
Capitalization Rate:	7.00%
Reconciled “Upon Stabilized Occupancy”:	$290,000,000 (As of November 1, 2014)

RECONCILED VALUE

Indicated Value “As Is”:	$200,000,000 (As of November 1, 2011)
Per Square Foot (NRA):	$169.25
Indicated “Prospective Market Value”:	$270,000,000 (As of November 1, 2014)
Per Square Foot (NRA):	$228.49

FINAL VALUE CONCLUSION

Market Value “As Is” Leasehold Estate:	$200,000,000 (As of November 1, 2011)
Per Square Foot (NRA):	$169.25
Implied Capitalization Rate:	3.18%

"Prospective Market Value" Leasehold Estate:	$270,000,000 (As of November 1, 2014)
Per Square Foot (NRA):	$228.49
Implied Capitalization Rate:	7.42%
Exposure Time:	6 months
Marketing Time:	6 months

EXTRAORDINARY ASSUMPTIONS

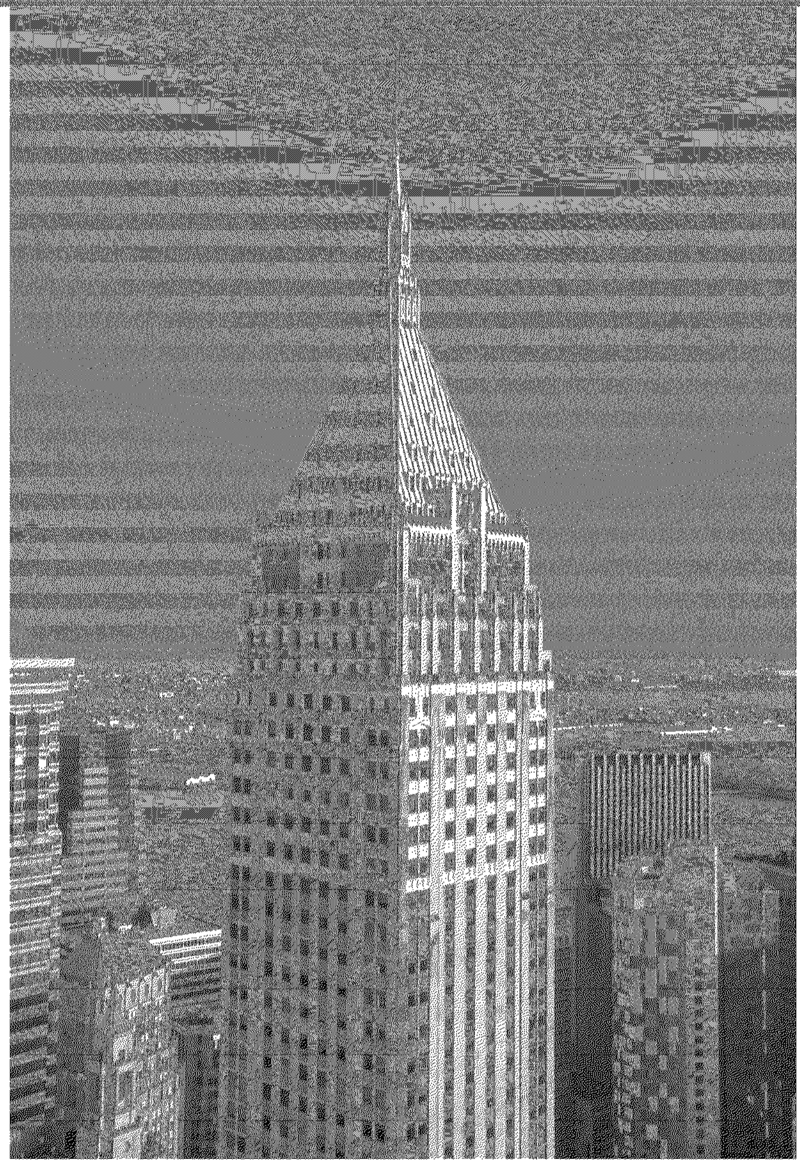
This appraisal does not employ any extraordinary assumptions. For a definition of Extraordinary Assumptions please see the Glossary of Terms & Definitions.

HYPOTHETICAL CONDITIONS

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

40 WALL STREET

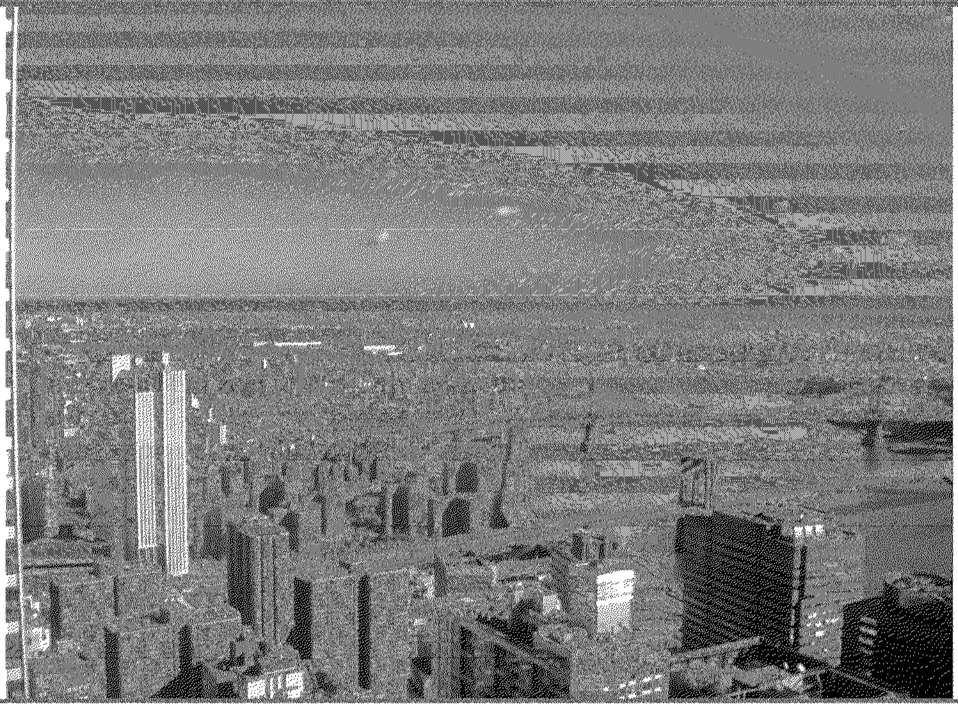
VIEW OF 40 WALL STREET SPIRE



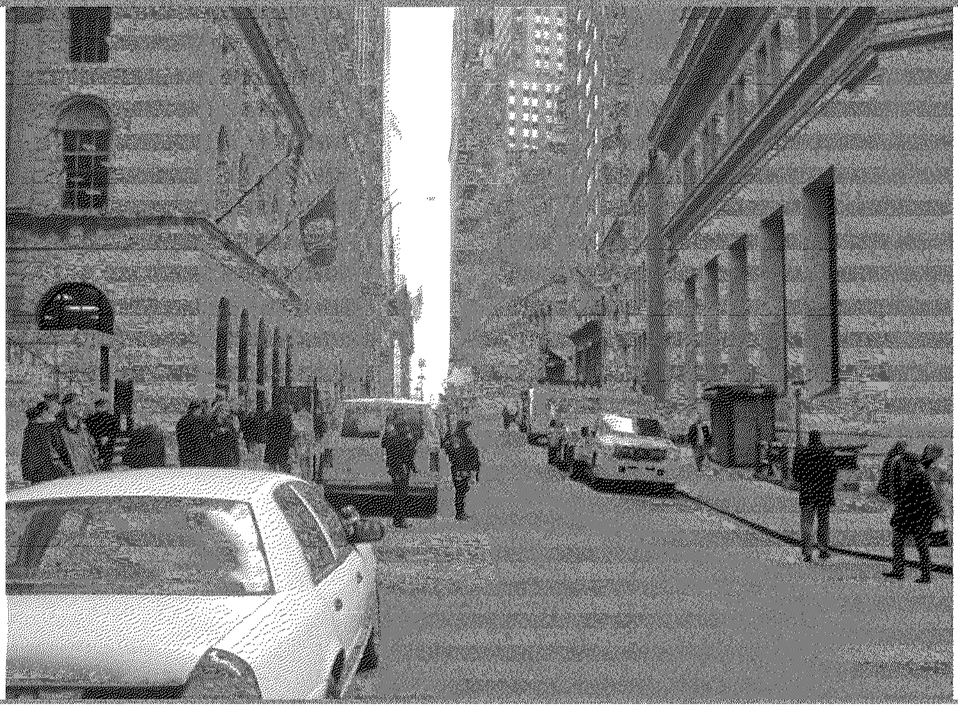
VIEW TO THE SOUTHWEST FROM THE TOP FLOORS OF THE SUBJECT

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 EAST; THE SUBJECT IS ON THE LEFT

TABLE OF CONTENTS

INTRODUCTION

SCOPE OF WORK

This appraisal, presented in a self-contained report, is intended to comply with the reporting requirements outlined under the USPAP for a self-contained appraisal report. The report was also prepared to comply with the requirements of the Code of Professional Ethics of the Appraisal Institute and the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), Title XI Regulations.

In the process of preparing this appraisal, we:

- Inspected the exterior and interior of the building and site improvements with a representative of ownership.
- Interviewed a representative of ownership, Jeff McConney of The Trump Organization; the exclusive leasing representative, Richard Feldman of WPG, Inc.; and several leasing and investment sales brokers and market research analysts including Franklin Speyer, Joshua Kuriloff, Tara Stacom, Robert Lowe, Robert Gallucci, Alex Chudnoff, 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 for 2011 including the budget for planned capital expenditures and repairs.
- 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 scope of this analysis, and the analysis contained herein, is reflective of "the type and extent of research and analyses in an assignment" (2010 USPAP).

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 1,181,691 square feet of net rentable area (1,061,266 square feet of gross building area) on a 34,360 square foot parcel of land. The subject property was remeasured by the owners based on a 27.00 percent loss factor, which is consistent in the market. It has been our experience that 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. These examples assume a full floor tenant. The loss factors are greater for partial floor tenancies. Based on the rent roll, the current net rentable area is 1,162,575 square feet, while the future remeasured net rentable area is 1,181,691 square feet once the leases that is not remeasured expire. As these leases expire, tenants will be paying rent based on their remeasured area, which is standard in the market. It should be noted that throughout this appraisal we have analyzed the subject property based on the remeasured net rentable area of 1,181,691 square feet. The comparable sales and comparable rentals in this appraisal were also analyzed based on their remeasured net rentable areas.
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:	November 1, 2011 "As Is" November 1, 2014 "Prospective Market Value"
Date of Inspection:	November 2, 2011
Property inspection was performed by:	Douglas H. Larson and Naoum M. Papagianopoulos 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.

INTENDED USE AND USERS OF THE APPRAISAL	
Intended Use:	This appraisal is intended to provide an opinion of the market value of the leasehold interest in the property for loan underwriting and/or credit decisions. All other uses are unintended, unless specifically stated in the letter of transmittal.
Intended User:	This appraisal report was prepared for the exclusive use of Capital One Bank and/or affiliates. The intended function is for loan underwriting and/or credit decisions by Capital One Bank and/or participants. It may be distributed to the client's attorneys, accountants, advisors and investors. All other uses and users are unintended. It may be distributed to the client's attorneys, accountants, advisors and investors.

EXTRAORDINARY ASSUMPTIONS

This appraisal does not employ any extraordinary assumptions.

HYPOTHETICAL CONDITIONS

This appraisal does not employ any hypothetical conditions.

REGIONAL MAP

CUSHMAN & WAKEFIELD.

NEW YORK REGIONAL MARKET ANALYSIS

INTRODUCTION

MARKET DEFINITION

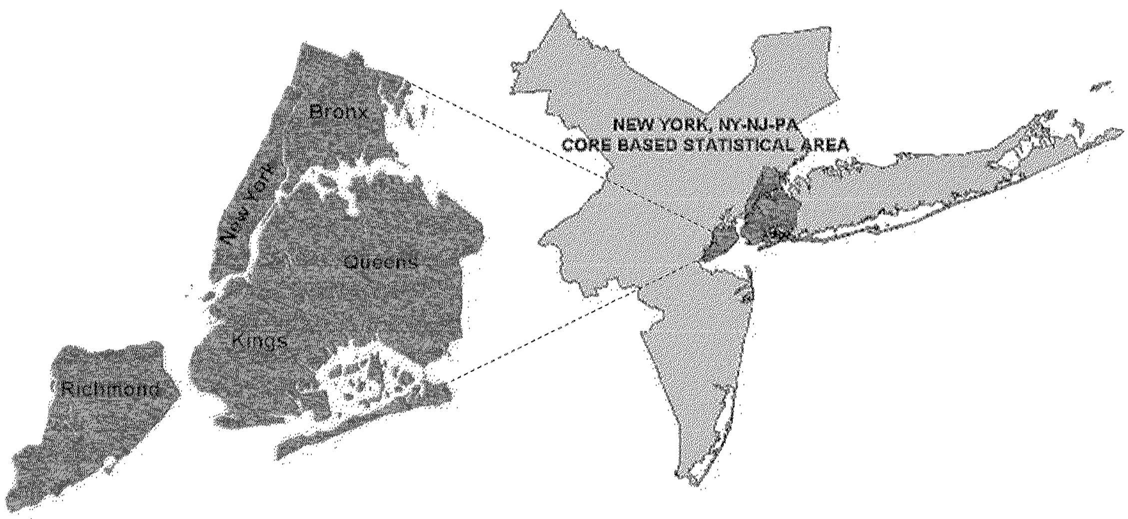
New York City consists of five counties at the mouth of the Hudson River in the southeast area of New York State. The borough of Manhattan, also referred to as New York County, forms the political, financial and cultural core of the City. It is the economic growth engine of the Greater New York Region. The City's other boroughs are Brooklyn, Queens, Staten Island, and the Bronx, otherwise known as Kings, Queens, Richmond, and Bronx counties. The area's vast mass transit infrastructure closely 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:

- New York is heavily weighted in the services industries. This creates a large demand for office space within the market.
- The city is home to the two largest stock exchanges in the world, the New York Stock Exchange and the NASDAQ.
- New York is home to many large financial institutions, including: Citigroup, JP Morgan Chase, Barclay's and Bank of America.
- When looking at Fortune 500 companies, 30 are headquartered in New York City.

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

Recovery in New York City is continuing, although slower than previously. Hiring in the private sector remains robust, but weakness in the government sector is holding overall numbers lower. The local government is still having financial issues and has continued to reduce employment, mostly through attrition. Wall Street has begun layoffs again in the wake of European financial turmoil and the final rules of the Dodd-Frank bill. Despite this, New York City's recovery is still outpacing the country.

The unemployment rate ended September at 8.7 percent, consistently declining over the course of the year. Broad employment growth has driven down unemployment numbers. According to the latest employment numbers from the Bureau of Labor Statistics (BLS), New York City has added 74,400 jobs since November 2009. This means the city has regained 52.8 percent of the jobs lost during the recession.

The city is also benefitting from its high tourism draw. According to NYC & Co., total visitors to the city rose to 48.7 million, a record high. Tourists spent $31.0 billion at local businesses, which drove employment increases in hospitality and retail sectors. This is one reason New York City has experienced one of the strongest recoveries in the country.

Further considerations are as follows:

- The health of the tourism industry has created a building boom in the city. Since 2008, 13,605 hotel rooms have been added to New York City's inventory. That total will increase to 90,000 by the end of 2011.
- More than one-quarter of the city's exports of manufactured goods go to the European Union (EU). Meaning a possible recession in the EU could drastically affect the metro-area's export industry. New York City is also at risk from the EU banking system. Many of the largest financial companies have headquarters in the city and hold large assets in the EU. If these underperform it could inflict more stress on the financial system in the city.
- New York is currently seeing a migration of its middle class out of the city. The cost of living within the city is around 28.0 percent higher than the national average, and has outpaced median household income growth, causing many middle class families to leave for more affordable areas.
- The city's population growth and household formation will underperform when compared to the country. This is not surprising given the high cost with entering the city.
- New York's GMP grew by 5.8 percent in 2010. This is almost twice the national average. The city's financial and business services industries have added to gains from tourism, leading to such an impressive gain. For 2011, growth will remain above the country with a forecasted rate of 3.5 percent.
- Job growth in the private sector of the city has kept unemployment stable. The unemployment rate through June was 8.7 percent. Employment growth continues, however, the civilian labor force is expanding as well. This is keeping unemployment stable in the city, despite job gains.

DEMOGRAPHIC TRENDS

DEMOGRAPHIC CHARACTERISTICS

New York is seeing its middle class disappear. The statistics provided below show the city is well above the national averages in household income at both the top and bottom of the spectrum. However, the city is clearly behind the country in the middle income brackets. This is evidence of the migration of the middle class out of the city and to more affordable living areas. Over the past several years there has been much talk about this subject and how this will affect the city. Currently, the cost of living in New York City is 28.0 percent higher than the rest of the country. For the middle class to return to the city, the local government will need to take steps to alleviate such high income requirements.

The city also has a gap in its education levels. There is a larger than usual percentage of the population with less than a high school education, as well as a higher percentage of citizens with college degrees.

Further considerations are as follows:

- New York has seen its median age slightly increase recently to 37.0 years, on par with the country.
- New York's average household income ($75,198) is slightly higher than the country ($71,071). When looking at median household income, the roles are reversed. Median income in New York is $50,063, while the country's median household income is $52,795.

- New York City leads the national average in residents with at least a Bachelor's Degree by 5.1 percentage points. The city does boast a large number of institutions of higher learning along with diverse industries that require such education. This makes New York City an attractive destination for many businesses.

The following chart compares the demographic characteristics of New York City with the demographic characteristics of the U.S.:

Demographic Characteristics
New York City vs. United States
2010 Estimates

Characteristic	New York City	U.S.
Median Age (years)	37.0	37.0
Average Annual Household Income	$75,198	$71,071
Median Annual Household Income	$50,063	$52,795
Households by Annual Income Level:		
<$25,000	28.1%	22.3%
$25,000 to $49,999	21.9%	25.5%
$50,000 to $74,999	16.5%	19.5%
$75,000 to $99,999	11.2%	12.5%
$100,000 plus	22.3%	20.1%
Education Breakdown:		
< High School	21.5%	15.3%
High School Graduate	25.8%	29.0%
College < Bachelor Degree	20.1%	28.2%
Bachelor Degree	19.2%	17.4%
Advanced Degree	13.4%	10.1%

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

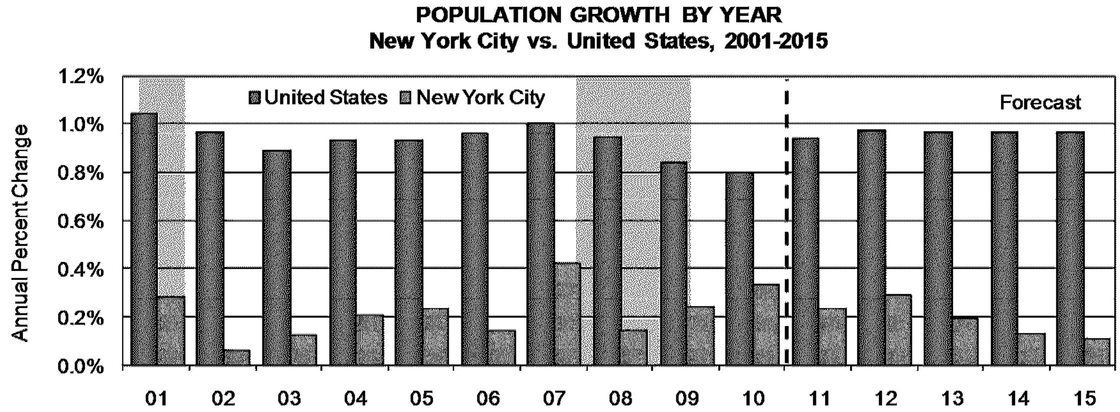
POPULATION

The density of population in New York City will always prevent the city from growing at national averages. Currently, the population of New York City sits at 8.2 million. Expanding upon this is difficult considering how little buildable land there is. In recent years, a trend of redeveloping former industrial buildings and industrial parcels into high-rise or luxury residences has increased the potential population growth of the city. The recession halted many of these projects from moving forward, and the lack of financing for residential real estate development means housing inventory in the city will remain relatively flat, limiting population growth.

Further considerations are as follows:

- Between 2001 and 2010 New York averaged an annual population growth of 0.2 percent. The nation, during the same time frame, grew at an annual rate of 0.9 percent.
- Population growth for the next five years will continue to be low in New York. The average annual rate is forecasted at 0.2 percent, compared to the expected national annual growth rate of 1.0 percent. Population growth is often affected by employment growth, meaning the gains seen in the private sector are driving growth this year.

The following graph compares historical and projected population growth between New York City and the U.S. as a whole:



Source: Data Courtesy of Moody's Economy.com 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 2001-2015					
Population (000's)	2001	2011	2015 Forecast	Compound Annual Growth Rate 01-10	Compound Annual Growth Rate 11-15
United States	284,722.3	312,651.3	324,932.3	0.9%	1.0%
New York City	**8,038.0**	**8,214.1**	**8,274.7**	**0.2%**	**0.2%**
Bronx County	1,339.1	1,393.7	1,413.6	0.4%	0.4%
Kings County	2,463.6	2,513.2	2,534.3	0.2%	0.2%
New York County	1,558.7	1,600.5	1,607.3	0.4%	0.1%
Queens County	2,225.7	2,232.3	2,239.0	0.0%	0.1%
Richmond County	450.9	474.4	480.4	0.6%	0.3%

Source: Data Courtesy of Moody's Economy.com, Cushman & Wakefield Valuation & Advisory

HOUSEHOLDS

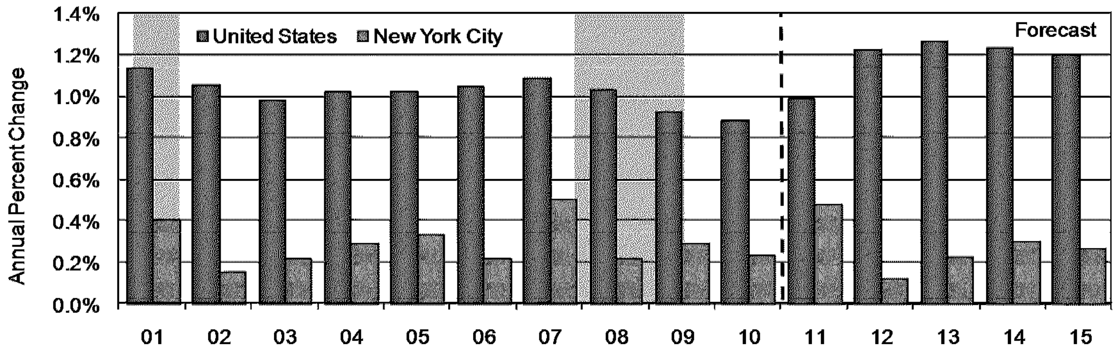
Much like population growth, New York City continually lags the country in household formation, and for many of the same reasons. There is not much buildable land and high construction costs keep residential inventory low. According to CitiHabitats, New York City has the tightest rental market as well with only 0.9 percent vacancy in May. This will hinder the city's household growth for quite some time.

Further considerations are as follows:

- From 2001 to 2010 household formation grew at an annual rate of 0.3 percent, lower than the national average of 1.0 percent.
- Over the next five years the city's annual rate is expected to be 0.3 percent, while the national annual rate will rise to 1.2 percent.

The following graph compares historical and projected household formation growth between New York City and the U.S. as a whole:

HOUSEHOLD FORMATION BY YEAR
New York City vs. United States, 2001-2015



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

ECONOMIC TRENDS

GROSS METRO PRODUCT

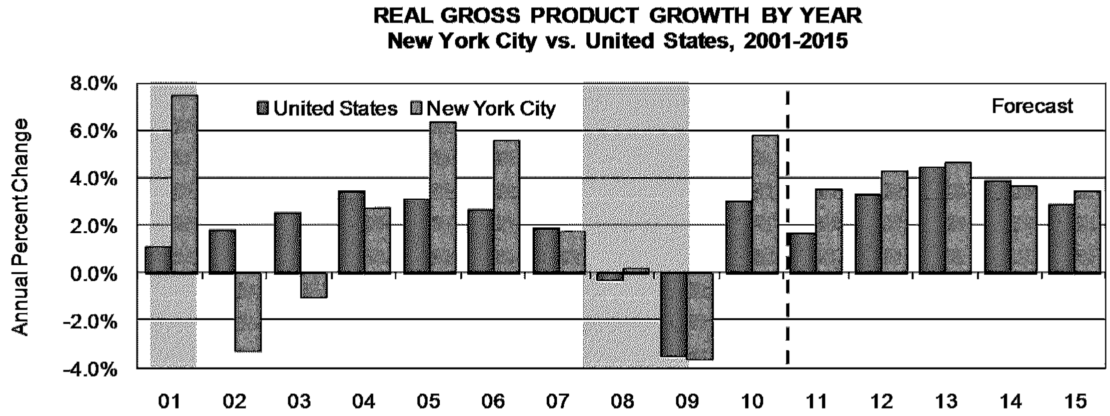
What separates New York City from the country is the strength of its services industry. Led by financial services, this industry tends to grow at a dynamic rate during expansionary periods. New regulation in financial services may weigh down the sector, but will undoubtedly grow once the financial institutions learn how to navigate this legislation, but likely at a slower rate than prior to the recession.

Another area that separates New York City from everywhere else is its tourism industry. NYC & Co. estimates the industry contributes around 20.0 percent to total GMP annually. High tourism generates revenue for both leisure/hospitality and retail sectors. NYC & Co. reports New York City saw a record of 48.7 million visitors in 2010. This boom in the industry is why we see such expansion in related employment sectors, and will contribute more to GMP for the next several years. This is one of the main drivers of New York City's economic recovery.

Further considerations are as follows:

- Between 2001 and 2010, New York averaged 2.1 percent annual GMP growth, slightly lower than the national average of 1.6 percent. The expansion of the financial sector drove much of this growth.
- The city's GMP is expected to outperform the country for the next five years, averaging an annual rate of 3.9 percent and slightly higher than the national annual rate of 3.2 percent.

The following graph compares historical and projected GMP growth by year for New York City and U.S. as a whole:



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

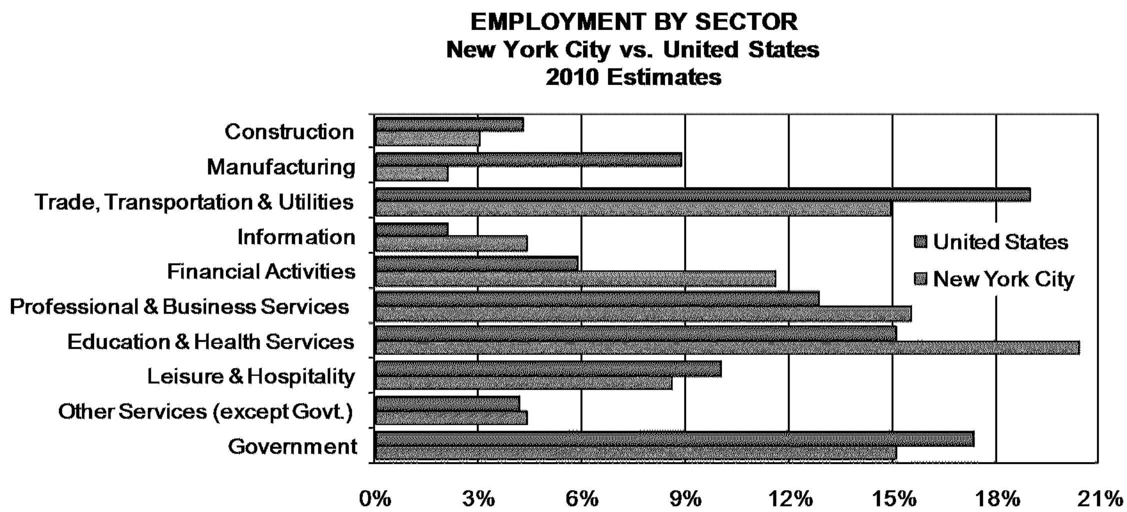
EMPLOYMENT DISTRIBUTION

New York City is heavily weighted in office-using employment, 32.5 percent of employment compared to 24.2 percent for the national average. This creates a dynamic economy capable of expanding beyond national averages.

Further considerations are as follows:

- More New Yorkers are employed in education and health services than any other sector, comprising 20.4 percent of the workforce. The national average is currently at 15.1 percent.
- The sector with the lowest employment in the city is manufacturing, which accounts for 2.1 percent of the workforce. The sector accounts for 8.9 percent of the national workforce. This reflects how heavy the services industry is in the MSA.
- Employment in the financial activities sector is almost double the national average, 11.6 percent to 5.9 percent. New York City being the headquarters of many large financial institutions as well as Wall Street swells employment in this sector

The following graph compares non-farm employment sectors for New York City and the U.S. as a whole:



Source: Data Courtesy of Moody's Economy.com and Cushman & Wakefield Valuation & Advisory

MAJOR EMPLOYERS

New York City's list of major employers is a diverse group of companies, many of which also appear on Fortune 500 lists. This is, for the most part, excellent for the local economy. The downside is that having so many global companies exposes the local economy to downturns in many regions across the world.

Further considerations are as follows:

- The largest employer of the city is the Metropolitan Transit Authority. The government-owned company rushes millions of passengers through New York City each day.
- As the financial capital of the world, it is not surprising to see two of the three largest employers in the market are financial services companies. JP Morgan Chase & Company is currently the third largest company in New York, followed by Citigroup.
- As previously stated, the education/health services sector is the largest in the city, so it is not surprising that much of the list is populated by employers in this sector. There are five hospitals and one university in the top ten.

The following table lists the New York City's largest private employers, and highlights the diversified nature of the regional employment concentration:

Largest Employers
New York City, NY

Company	No. of Employees	Business Type
Metropolitan Transportation Authority	66,240	Transportation
New York City Health and Hospitals Corp.	36,964	Healthcare
JP Morgan Chase & Company	24,927	Financial Services
Citigroup, Inc.	24,442	Financial Services
North-Shore Long Island Jewish Health System	19,872	Healthcare
Continuum Health Partners, Inc.	18,974	Healthcare
Mount Sinai Medical Center	18,386	Healthcare
NYU Langone Medical Center	15,705	Healthcare
Macy's, Inc.	15,100	Retail
Columbia University	15,080	Education

Source: Crain's New York Business, April 2011 & Cushman & Wakefield Valuation & Advisory

EMPLOYMENT GROWTH

Since November 2009, 74,400 jobs have been created in the city according to the Bureau of Labor Statistics. All of this growth has been in the private sector, as government employment continues to decrease from cuts. Moody's Economy.com is showing 0.4 percent employment growth for 2010 with 0.8 percent growth projected for 2011.

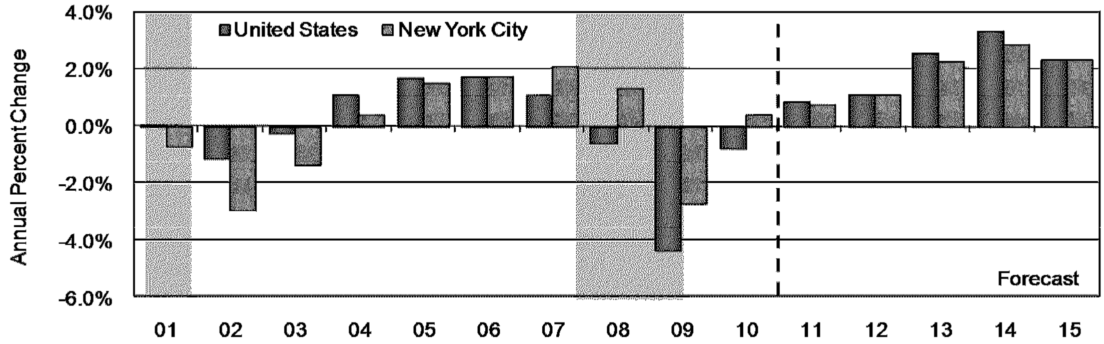
Further considerations are as follows:

- According to the latest numbers, New York is still seeing growth in the education & health services sector. In August, the city was up 3.0 percent from a year ago. This employment growth will continue for the foreseeable future, especially with new emphasis on the biotech segment of the sector.
- Leisure/hospitality was the first employment sector to bounce back after the recession. While growth in the sector has slowed, it is still on the rise, up 3.2 percent from a year ago. The resurgence of this sector is mostly driven by the great year of tourism the city is seeing.
- Over the previous 10 years New York City showed no significant employment growth. During the same time period the nation averaged an annual growth rate of negative 0.2 percent.

- The city is expecting to show an average annual employment growth rate of 1.9 percent over the next five years. This is lower than the expected national average annual rate of 2.1 percent.

The following graph illustrates total non-farm employment growth per year for New York City, and the U.S.

TOTAL EMPLOYMENT GROWTH BY YEAR
New York City vs. United States, 2001-2015



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

UNEMPLOYMENT

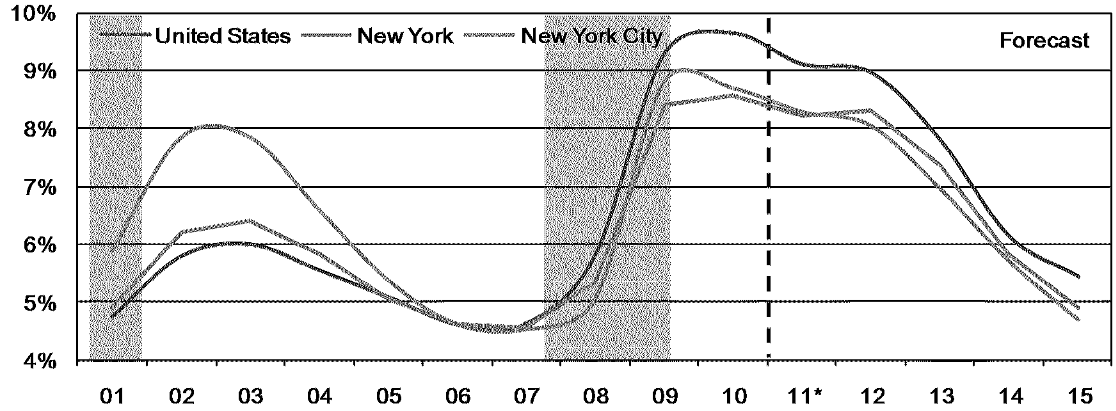
By the end of September, New York City's unemployment rate was 8.7 percent, according to the Bureau of Labor Statistics. Since the beginning of the year, the unemployment rate has fallen 0.2 percentage points. This positive progress is a result of the city's strong employment growth this year. The reason unemployment hasn't dropped significantly is the civilian labor force has grown in response.

Further considerations are as follows:

- Moody's is forecasting New York City will finish 2011 with an unemployment rate of 8.2 percent, and continue to decline in successive years.
- Over the previous ten years, New York City's unemployment rate averaged 6.5 percent compared to 6.1 percent for the country. This is not what you would expect from an MSA with such a large services industry.

The following graph compares historical and projected unemployment levels for New York City, the state of New York, and the U.S. as a whole:

UNEMPLOYMENT RATE BY YEAR
New York City vs. New York vs. United States, 2001-2015



Source: Data Courtesy of Moody's Economy.com and Cushman & Wakefield Valuation & Advisory
Note: Shaded bars indicate periods of recession
*Second Quarter 2011

CONCLUSION

New York City's economic progress is surprising, given such dire forecasts following the financial crisis. Many predicted a very gloomy local economy given the nature of the national recession. The chaos we saw in the financial system was to have horrible impacts in New York City because of its position in the financial world. While the city has not made up the jobs lost during the recession, it is well on its way to doing so. The 74,400 or so employees gained in recovery are an envious number to most regions. With a broad expansion taking place, the city may recover the jobs lost due to the recession in less than two years.

Further considerations are as follows:

- Many people in the city will be watching the fallout of the European debt crisis. As mentioned earlier, what happens will have an impact upon the city's economy in both the exporting of manufactured goods and the financial system. EU members are working out deals to avoid a crisis but markets have been unstable so far in response.
- The flight of the middle-class could severely change demographics within New York, as it would increase the income gap in the city's population. This out-migration will also weigh down population growth and household formation over the long-term.
- The financial problems of the state and city government have caused them to reduce employment. This will continue through 2011 as the budget gap forces further cuts in employment and services. Private sector employment will continue to grow and may gain steam if services industry employers become more confident in the national recovery's strength.
- New York City's GMP will grow slightly higher than the national pace and will outpace the national average over the long-term. Much of this national growth is in manufacturing output, which will lessen in the near future. The city's services-based economy will provide more stable growth for years to come.

DOWNTOWN MANHATTAN OFFICE MARKET ANALYSIS

INTRODUCTION

CURRENT TRENDS

Despite pessimism about the overall national recovery, Downtown's comeback continued during the third quarter, with some market indicators heading in a positive direction. The market saw some weakness in vacancy and asking rents, but Downtown is still improving over last year.

As of September 2011, the New York City unemployment rate was 8.7 percent, lower than the nation's 9.1 percent and down from a high of 10.5 percent in December of 2009. According to Moody's Economy.com, employment is rising in every major industry of the city and 52.8 percent of the jobs lost during the recession have been regained. Comparatively, the nation has recovered only 21.6 percent of lost jobs.

Office-using employment is the main growth driver in New York City's office market and is primarily made up of the financial services, business and professional services and information sectors. In total, these industries account for roughly 29.5 percent of employment. Since the end of the most recent recession, 35.8 percent of the office-using jobs lost have been regained as well.

Listed below are highlights in the Downtown office market for third quarter 2011:

- Overall vacancy (including all classes and types) saw a slight increase during the third quarter, gaining 0.2 percentage points to 9.9 percent. Uneven economic factors may have brought pessimism into the market and allowed vacancy to move upward.
- Construction of the World Trade Center site is the dominant story of Downtown. All phases of the project are underway and the office towers are seeing increased interest from tenants.
- Overall asking rents fell by $0.28 per square foot from a quarter ago to $39.10 per square foot. This is another setback for the market following a few quarters of gains.
- Absorption, defined as the net gain in occupancy, continues to rise. Total absorption for the third quarter was 479,850 square feet, a sign the market is not retreating from the progress it has achieved through the first half of the 2011.
- Leasing activity in Downtown ended the quarter 129.3 percent higher compared to the previous year. Activity will remain high in 2011 as strong hiring in office-using jobs drives demand the rest of the year.
- The Downtown market has been rebranding itself as a "media hub", to capitalize upon deals signed during 2010 and to encourage more media companies to follow New York Daily News, Newsweek, Conde Nast and others.
- At mid-year, much of the new distress in office properties has been in CMBS loans, which now account for over 60.0 percent of outstanding distress. Manhattan retains the largest volume of distress, totaling $4.0 billion but is resolving this quickly with $2.7 billion in workouts.
- The European Debt Crisis continues to rattle markets here in the United States. European buyers have been major players in Manhattan commercial property and could be affected if this continues further. If another financial crisis takes place the fallout could spread to the Manhattan commercial leasing markets.

The following chart contains the largest sales transactions of the year:

Largest Sales Transactions 2011 Manhattan Office Properties					
Building Name	**Address**	**Submarket**	**Sale Price**	**Price/SF**	**Cap Rate**
The Paramount Plaza Building	1633 Broadw ay	Westside	$2,000,000,000	$767.03	3.06%
One Astor Plaza	1515 Broadw ay	Westside	$1,260,000,000	$664.16	5.84%
Westvaco Building	299 Park Avenue	Park Avenue	$1,185,000,000	$1,045.56	4.39%
Park Avenue Plaza	56 East 52nd Street	Park Avenue	$1,100,000,000	$967.48	3.94%
Starrett-Lehigh Building	601 West 26th Street	Chelsea	$951,000,000	$405.50	4.59%
650 Madison Avenue	650 Madison Avenue	Madison/Fifth	$950,000,000	$1,573.72	3.61%
230 Park Avenue	230 Park Avenue	Grand Central	$760,000,000	$541.68	4.25%
International Toy Center South	200 Fifth Avenue	Madison?Union Square	$726,000,000	$860.14	4.60%
450 West 33rd Street	450 West 33rd Street	Penn Station	$530,000,000	$321.75	4.93%
The Equitable Building	120 Broadw ay	Financial East	$525,000,000	$283.17	6.74%

Source: C&W Valuation & Advisory

There have been some significant developments immediately following the close of the third quarter of 2011:

- Brookfield Office Properties has hired a ten-person team led by Cushman & Wakefield Chairman Bruce Mosler and Arthur Mirante to lease its 5.5 million square foot office development at Ninth Avenue and 31st Street. Construction on a deck overlooking rail tracks is set to begin in January and the first office tower is expected to complete in 2015.
- Related Companies signed the first tenant to the first tower of its Hudson Yards project. Luxury leather-goods maker Coach will move its headquarters to the tower, taking roughly 600,000 square feet.

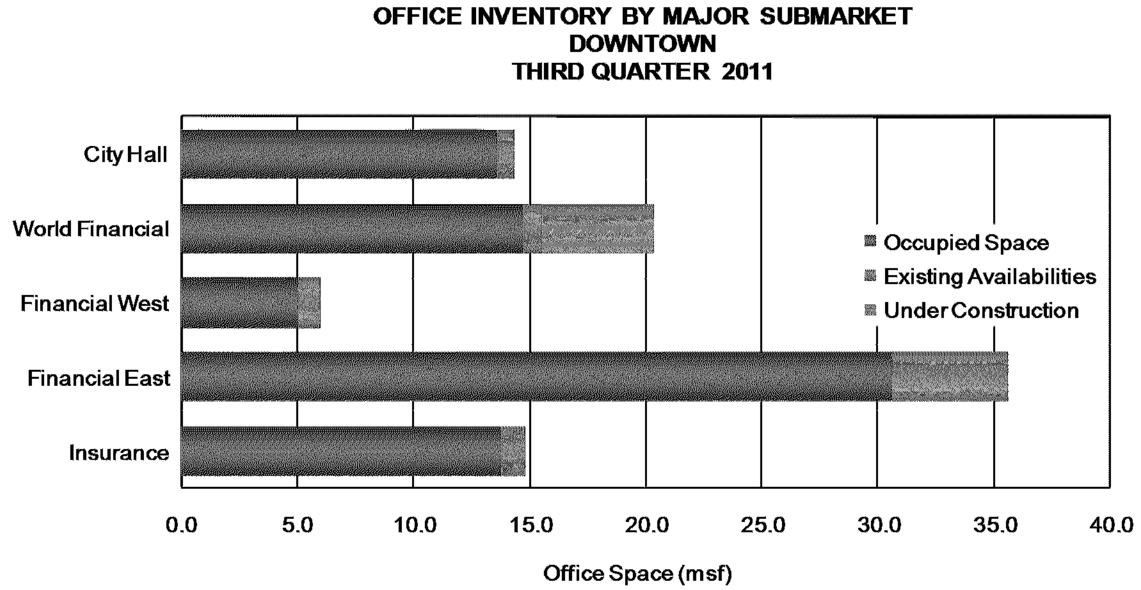
MARKET CHARACTERISTICS

Downtown's office inventory of 86.4 million square feet is geographically segmented into five major submarkets: City Hall, World Financial, Financial East, Financial West and Insurance. Approximately 54.6 percent of Downtown is comprised of Class A product, the majority of which is located in the Financial East submarket.

The following are market characteristics of the Downtown's submarkets:

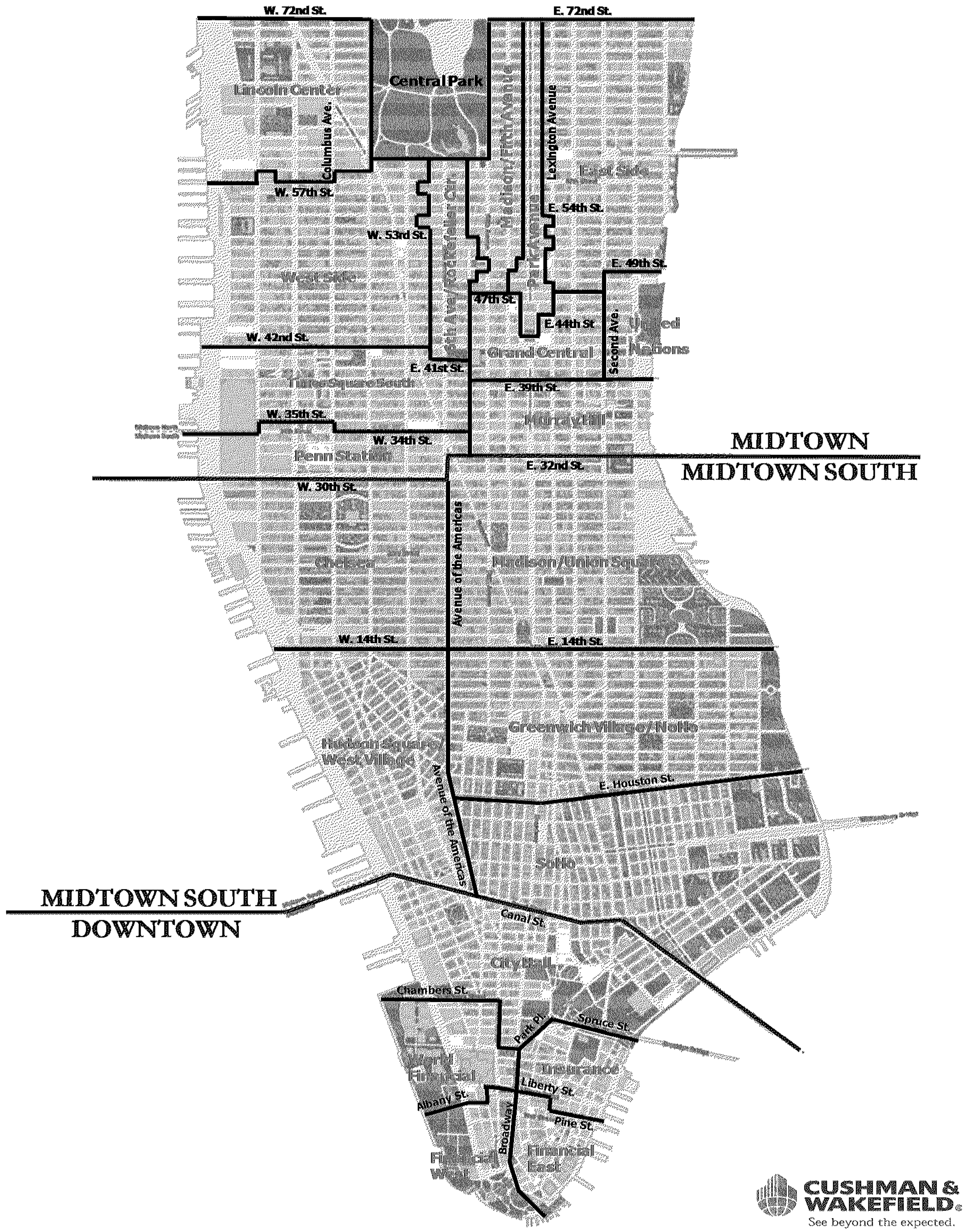
- The City Hall submarket is located in the most northern section of the Downtown market, spanning from the east to west side of Manhattan, south of Canal Street and the Brooklyn Bridge. With 14.4 million square feet of office space, City Hall is dominated by 6.3 million square feet of Class A space. Landmark municipal buildings and courthouses, as well as City Hall, are all located in the center of the submarket.
- The 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 15.6 million square feet of space making up World Financial, 11.9 million square feet is primary class A space, heavily concentrated in the World Financial Center. All six planned buildings at the Center complex will contain more than 10 million square feet of commercial and retail space.
- The Financial West submarket, with 6.0 million square feet of office space, mostly Class B, is Downtown's smallest submarket.
- Home to the neighborhood known as the Financial District, Financial East, with 35.6 million square feet of office space, is Downtown's largest submarket. Home to many of the city's financial institutions and their headquarters, Financial East is comprised of 64.7 percent Class A office space.
- The Insurance submarket is located on the eastern side of the Downtown market, south of City Hall and north of the Financial East submarkets. The 14.8 million square foot Insurance submarket is made up predominantly of Class B office space, with approximately 6.1 million square feet.

The following graph demonstrates the Downtown office market's office submarket breakdown:



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:


W. 72nd St.
E. 72nd St.
Central Park
Lincoln Center
Columbus Ave.
Madison/Fifth Avenue
Lexington Avenue
Park Avenue
East Side
W. 57th St.
E. 54th St.
W. 53rd St.
6th Ave./Rockefeller Ctr.
E. 49th St.
West Side
47th St.
E.44th St
Second Ave.
United Nations
W. 42nd St.
Grand Central
E. 41st St.
Times Square South
E. 39th St.
W. 35th St.
Murray Hill
W. 34th St.
MIDTOWN
MIDTOWN SOUTH
Penn Station
E. 32nd St.
W. 30th St.
Avenue of the Americas
Chelsea
Madison/Union Square
W. 14th St.
E. 14th St.
Greenwich Village/NoHo
Hudson Square/West Village
E. Houston St.
SoHo
MIDTOWN SOUTH
DOWNTOWN
Canal St.
City Hall
Chambers St.
Park Pl.
Spruce St.
World Financial
Insurance
Liberty St.
Albany St.
Pine St.
Broadway
Financial West
Financial East
CUSHMAN & WAKEFIELD
See beyond the expected.

SUPPLY ANALYSIS

VACANCY

A weakened outlook on the national economy seems to have affected the market during the third quarter. Overall vacancy grew by 0.2 percentage points to 9.9 percent. Potential tenants may have held off from signing deals due to uncertainty in the national recovery. This breaks several quarters of falling vacancy rates in the market as interest in Downtown office space grew following Conde Nast's million square foot deal. Attracting tenants other than financial firms is important to sustain progress, as the financial sector learns to navigate new financial regulations. The year should end with lower overall vacancy as pessimism wanes during the holiday season and tenants seek to sign lease deals before the end of the year like usual.

Further considerations are as follows:

- Class A overall vacancy remained 9.3 percent this quarter despite rough economic outlooks and rising overall vacancy. The market continues to attract new businesses in more creative fields, fueling this progress.
- Downtown's direct vacancy grew 0.2 percentage points from the previous quarter to 8.9 percent. Sublease space grew as well this quarter, with vacancy gaining 0.1 percentage points.
- The Financial West submarket's direct vacancy rate of 15.3 percent was again the highest in the market, but down 1.5 percentage points from the previous quarter.

The following chart shows Downtown's submarket statistics for the third quarter:

Office Market Statistics by Submarket
Downtown Manhattan
Third Quarter 2011

Market/Submarket	Inventory	Overall Vacancy Rate	Direct Vacancy Rate	YTD Construction Completions	YTD Overall Absorption	Under Construction	Direct Wtd Avg Class B Asking Rent	Overall Wtd Avg Asking Rent
CBD								
City Hall	14,353,704	5.2%	4.8%	0	-107,005	0	$36.16	$37.53
World Financial	15,570,956	5.1%	4.8%	0	706,709	4,770,480	$37.04	$44.83
Financial West	5,986,809	16.4%	15.3%	0	-151,278	0	$33.87	$34.38
Financial East	35,642,055	13.9%	12.3%	0	90,433	0	$34.94	$40.27
Insurance	14,818,985	7.1%	6.6%	0	-59,009	0	$36.24	$35.39
DOWNTOWN CBD TOTAL	**86,372,509**	**9.9%**	**8.9%**	**0**	**479,850**	**4,770,480**	**$35.22**	**$39.10**

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

CONSTRUCTION

In New York City, concern over the construction of megalithic office towers, such as 15 Penn Plaza has been raised. Building trends in recent years indicate developers of office properties are sacrificing aesthetics and quality-of-life to construct as big of towers as allowable, according to Bloomberg Architecture critic James Russell. Land is so valuable that every square foot is necessary to many developers. Concerns are that if buildings like these continue to be built, they could severely impact the quality-of-life of residents by limiting sunlight and fresh air to those at street level.

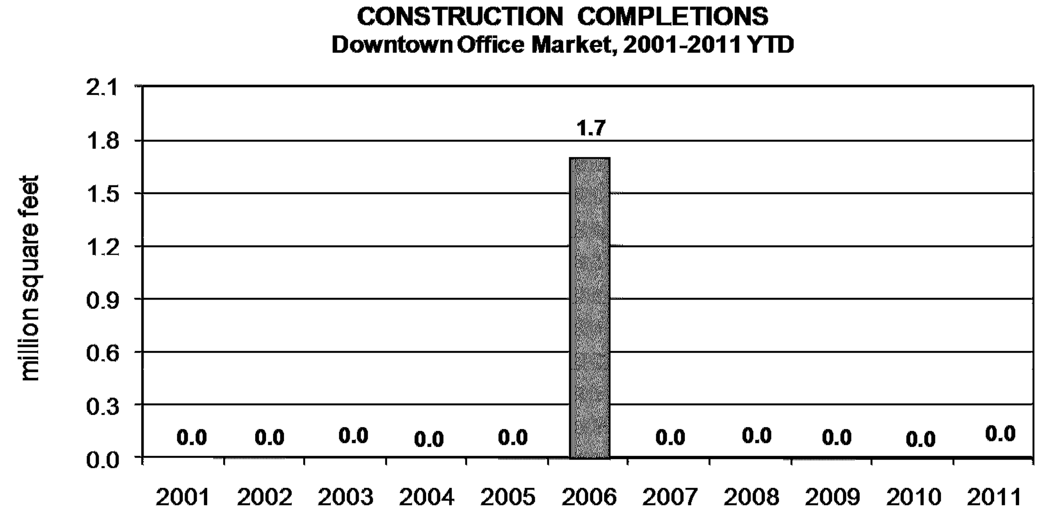
Proponents of this construction mention the need for New York City to keep pace with international cities like Shanghai, Singapore and Sao Paulo, as cities like these have been building state-of-the-art office towers at a much faster rate than New York City. According to the Real Estate Board of New York, almost 90.0 percent of existing Manhattan office space was built before 1970 and the average age for Midtown buildings is 70.9 years. Some fear that this will hurt the city's attractiveness to international corporate tenants and could soften rents down the line.

The debate will only become more heated as financing for these projects becomes available with improved economic conditions. Downtown will be dominated by the World Trade Center sites, now with One World Trade Center and Tower Four under construction.

Below is a list of construction developments in the Downtown market:

- The Fulton Street Transit 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.
- Construction in Downtown Manhattan is solely represented by the World Trade Center site. When completed, 10.6 million square feet of office space will be completed.

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 major talking point in the Downtown market is of course the World Trade Center Site. The project is comprised of six LEED Gold Certified office buildings in total (one, two, three, four, five and seven) which, aside from One World Trade Center and Five World Trade Center, is being developed by Silverstein Properties. A memorial to the victims and families of 9/11, a 550,000 square foot retail concourse and a performing arts center, will also occupy the complex. The sustainability efforts of every part of the project make it the most environmentally conscious complex of its size in the world. The project, when completed, will be a symbol for the Downtown office market, New York City and the country as a whole.

With vacancy rates dropping in the Downtown market this past quarter, concern with the amount of space the site will add to inventory is not as significant. When completed, the project would add 10.6 million square feet of space to the market's inventory. This excludes Seven World Trade Center, as it has been completed.

Further considerations as follow:

- Construction on the World Trade Center site's centerpiece, the 2.6 million square foot One World Trade Center, began in June 2006 and is expected to be the tallest of the planned skyscrapers, and the tallest in America, once completed. One World Trade is going to take advantage of the latest green technology with renewable energy, interior day lighting, reuse of rainwater and recycled construction debris. The tower, developed by The Port Authority of New York and New Jersey has reached the 70th story and is expected to finish in 2013. It is now the tallest building in Downtown.

- With a crystalline design culminating in a diamond-shaped summit, Two World Trade Center (200 Greenwich Street) will be the second tallest tower of the World Trade Center site and the third tallest in New York City. In total, the building will contain 2.3 million square feet of preleased office space and 138,000 square feet of retail space. Construction has begun, with the foundation of the building taking shape. The foundation is expected to reach grade by December 2011
- Three World Trade Center (175 Greenwich Street) is a 71-story, 2.1 million square foot office building with a foundation currently under construction. The building will also house 133,000 square feet of retail and the curtain wall enclosure is scheduled to be completed by the summer of 2014.
- Four World Trade Center (150 Greenwich Street) is the fourth tallest building of the World Trade Center site. The building is now 37 stories and expected to complete in 2013. As of now, the 2.3 million square foot building is 45.7 percent preleased, with 140,000 square feet of retail space set to occupy the first five floors. A $1.3 billion municipal bond deal may be sold soon to help finance the construction of the tower. The offering had originally been scheduled to sell in December but was delayed due to volatile pricing conditions.
- Five World Trade Center (130 Liberty Street) was previously the Deutsche Bank Building, which was irreparably damaged in the attacks of September 11th. Deconstruction of the building has been intermittent since 2006, with a fire in 2007 causing a delay in the project. As of January 2011, the structure has been deconstructed. 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.
- Seven World Trade Center (250 Greenwich Street) is the only office building of the World Trade Center site to have been completed. Construction of the building began in 2002 and completed in 2006. With the signing of MSCI the building is fully leased.
- 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 will be ground level, with the museum seventy feet below. The memorial is now open to the public and the museum will open at a later date.
- The retail portion of the World Trade Center is being developed by The Port Authority of New York and New Jersey with help from Silverstein Properties. The 550,000 square foot project will have hundreds of thousands of commuters and travelers passing through daily. The plans call for six levels of retail space, two of which will be below-grade space extending from the World Financial Center. Construction is expected to complete in 2014 and will be the focal point of the resurgent Downtown retail market.
- A new performing arts center will be located on the northwest corner of Fulton and Greenwich Streets. The 1,000 seat center will be solely occupied by Joyce Theater, a modern dance focused troupe. Construction has not begun because funding has not been secured and a temporary exit for the PATH train is on the site currently.
- The architecturally beautiful transportation hub in the World Trade Center Site is expected to accommodate 250,000 pedestrians a day. Designed by Santiago Calatrava, the winged structure is another work of art adorning the complex. The hub will include a multi-story transit hall and 200,000 square feet of high-end retail. A corridor will also connect the hub to the Fulton Street Transit Center. In total, commuters will have access to other transportation locations on and around the hub including the Hudson River Ferry, the PATH service, 13 subway lines and the proposed JFK rail link. This development is a joint effort between the Port Authority of New York and New Jersey and the Federal Transit Administration.

The following rendering is courtesy of Silverstein Properties:

Asking Rents

Historically, Downtown has had some of the highest asking rents in the nation. At the peak of the market in the third quarter of 2008, Downtown had the third highest overall asking rents at $50.89 per square foot. This was behind only Midtown New York and Midtown South New York. The recession, as with most markets, dropped asking rents to the level they were at the end of 2006.

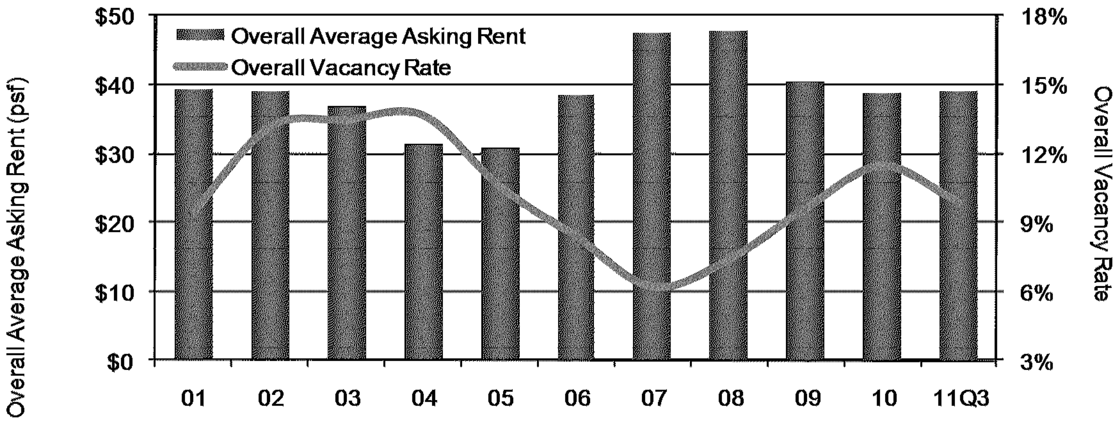
Downtown's asking rents have been affected by poor economic outlooks in the third quarter. Overall asking rents have fallen $0.28 per square foot to end the quarter at $39.10 per square foot. This may be just a small hiccup this year, and positive economic progress during the fourth quarter could give landlords impetus to raise asking rents. The end of the year also usually brings with it increased leasing activity which could also drive rent growth.

Further considerations include:

- Downtown's class A direct asking rents fell this past quarter by $1.41 per square foot. It appears that economic concerns affected direct class A space even more severely in the third quarter.
- The World Financial submarket held the highest class A direct rents with $55.26 per square foot. The submarket is home to several large high-quality buildings like the World Financial Center and World Trade Center, which command higher rents than many other Downtown buildings.

The following graph highlights the inverse relationship between the overall vacancy rate and overall asking rents in the Downtown office market since 2001:

OVERALL VACANCY RATE & OVERALL ASKING RENT BY YEAR
DOWNTOWN, 2001-11Q3



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

DEMAND ANALYSIS

LEASING ACTIVITY

So far this year, Downtown is showing the highest year-to-year leasing growth with 129.3 percent over the previous year. In total, 5.7 million square feet of space has been leased in Downtown, 1.4 million of which was during the third quarter. This was the lowest amount of quarterly activity this year, but is still above the 9-year average of 1.1 million square feet. Of course, the deal everyone is talking about is Conde Nast's 1.0 million square foot deal at One World Trade Center in the second quarter. This is a landmark deal for Downtown and the World Trade Center, bringing some style to a market once thought of as a banker's home.

The following points summarize Downtown's office leasing:

- Activity in Downtown this year has been driven mainly by large occupiers this year with 46.1 percent of the space leased in the market being part of a block at least 100,000 square feet big.
- Oppenheimer & Co. signed the largest deal of the quarter, taking 269,000 square feet at 85 Broad Street. The securities brokerage will be moving from 125 Broad Street.
- The second largest deal of the quarter was signed by MSCI Inc. at Seven World Trade Center for 125,811 square feet. This lease now completely fills the building.
- The World Financial submarket has outperformed all others so far this year due to major leases like the previously mentioned. In total, 2.7 million square feet has been leased in the submarket.

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

Significant Office Market Lease Transactions Downtown Manhattan Third Quarter 2011			
Building Address	**Submarket**	**Tenant**	**Size (sf)**
85 Broad Street	Financial East	Oppenheimer & Co	269,000
Seven World Trade Center	World Financial	MSCI Inc.	125,811
77 Water Street	Financial East	ARUP	97,412

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

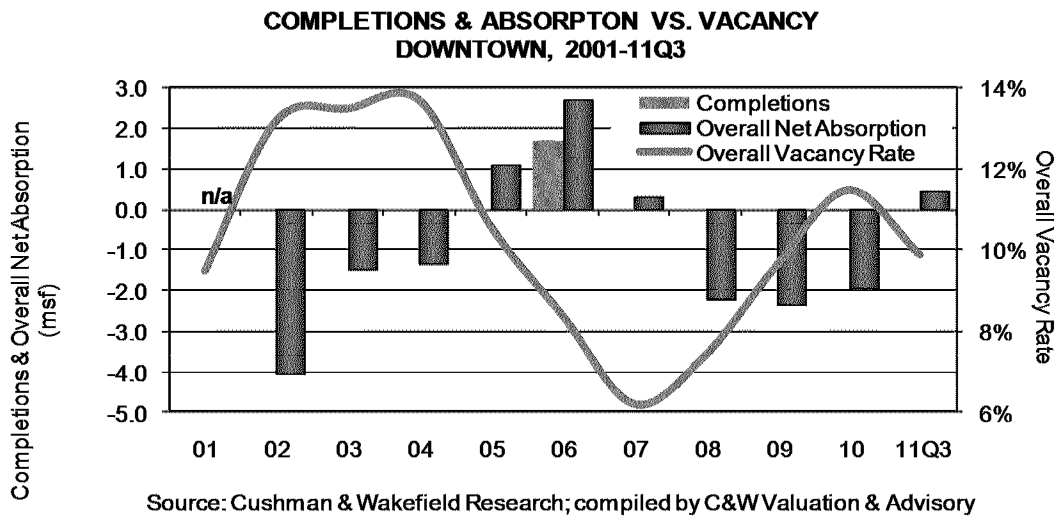
NET ABSORPTION

The Downtown market started 2011 with positive absorption for the first time since 2007. Through three quarters of the year, overall absorption has reached 479,850 square feet. Major leases have been filling up the market's unoccupied space and not much has been flooding the market, allowing Downtown to gain some ground it lost during the recession. It will take some time for the market to make it back to prerecession levels of occupied space but Downtown is on track to do so within a few years.

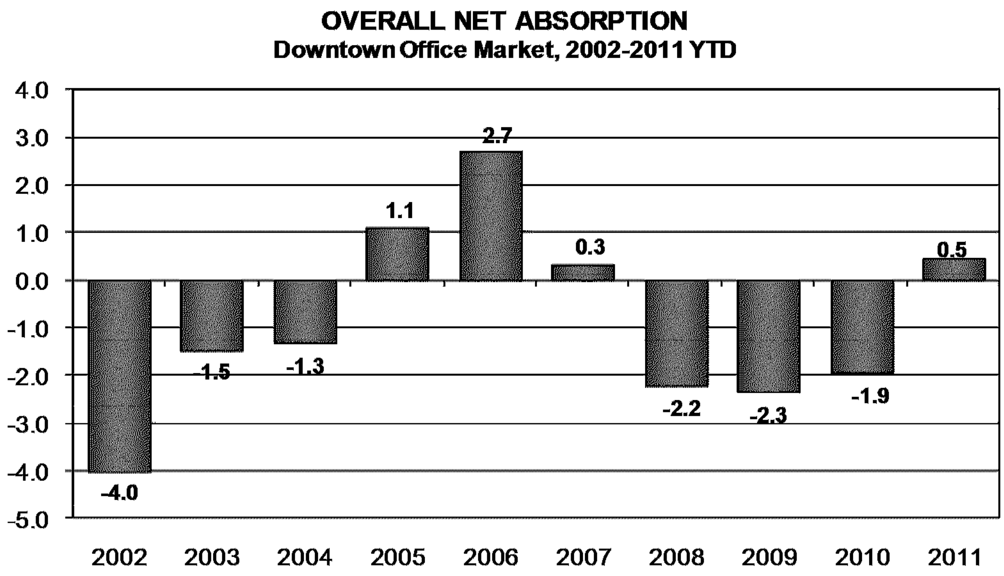
Further considerations are as follows:

- The Financial West submarket accounts for most of the negative absorption so far this year with a total of negative 151,278 square feet.
- Class A space is having a great year so far, with absorption of 671,573 square feet, surpassing the overall market's progress.

The following graph shows construction completions and absorption compared to overall vacancy rates since 2001:



The following graph shows the overall net absorption in Downtown since 2002:



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

DEMAND DRIVERS

Being the largest regional economy in the United States and one of the largest in the world, NYC is traditionally driven by the Finance, Insurance, and Real Estate (FIRE) sectors. Other economic drivers are the arts and entertainment, retail, sciences and health care, journalism and publishing, and higher education industries. Businesses in NYC capitalize on the synergy created from the presence of more than 200,000 companies, the access to investment capital and consumers, and the City's attractive quality of life. Leading world companies with headquarters and regional offices in New York City include 30 Fortune 500 firms, the highest by far of any city in the U.S., making NYC the nation's headquarters capital.

Further considerations are as follows:

- The financial services industry alone makes up 12.5 percent of the New York City economy, and 15.8 percent of Manhattan's, with its highest concentration in the Downtown and Midtown markets. Downtown is home to the Financial District centered on Wall Street, making New York City, in many people's eyes, the financial capital of the world.
- The large job losses seen in 2008 and 2009 left many New Yorkers out of work. Those losses have abated, and strong hiring across many sectors has taken hold, contributing to a current unemployment rate of 8.7 percent in September.
- The pace of office-using employment growth has sparked an increase in demand for quality space. This has caused the rebound in the market, but it will take some time to return to prerecession levels.

DEMAND FORECAST

Cushman & Wakefield's office market forecasts are derived using a regression model developed by our Research staff. The model is based on trends in historical occupancy and rental rate movements as well as factors such as employment growth, new construction and absorption tendencies.

Mathematical assumptions underlying our approach are as follows:

- Occupancy is a function of employment. For the historical portion of this analysis we use total nonfarm employment as defined by the U.S. Bureau of Labor Statistics (BLS), and utilizing North American Industry Classification System (NAICS) coding. For the forecast portion we use Moody's Economy.com's figures.
- Vacancy is a function of demand, available space and new supply (including both under construction and proposed projects).
- Rent is a function of overall and direct vacancy, taking into account both inflationary and deflationary tendencies, as well as current, historical, and anticipated trends.

This mathematical approach limits subjectivity and the forecasts are statistically estimated to have an approximate 90.0 percent accuracy level. Highlights of the demand analysis are as follows:

- Economic data suggests that office employment will grow over the next five years, peaking at 2.9 percent in 2014.
- Inventory will grow substantially over the next 5 years with new construction of 4.8 million square feet occurring in 2013 and 993,400 square feet in 2014.
- Demand in Downtown has grown and the market is now in an undersupply situation. This will remain despite One and Four World Trade Center entering the market in 2013.
- Vacancy is expected to decline in Downtown until construction completes on One and Four World Trade. That will push the vacancy rate up to 10.6 percent, but will decline again in subsequent years.

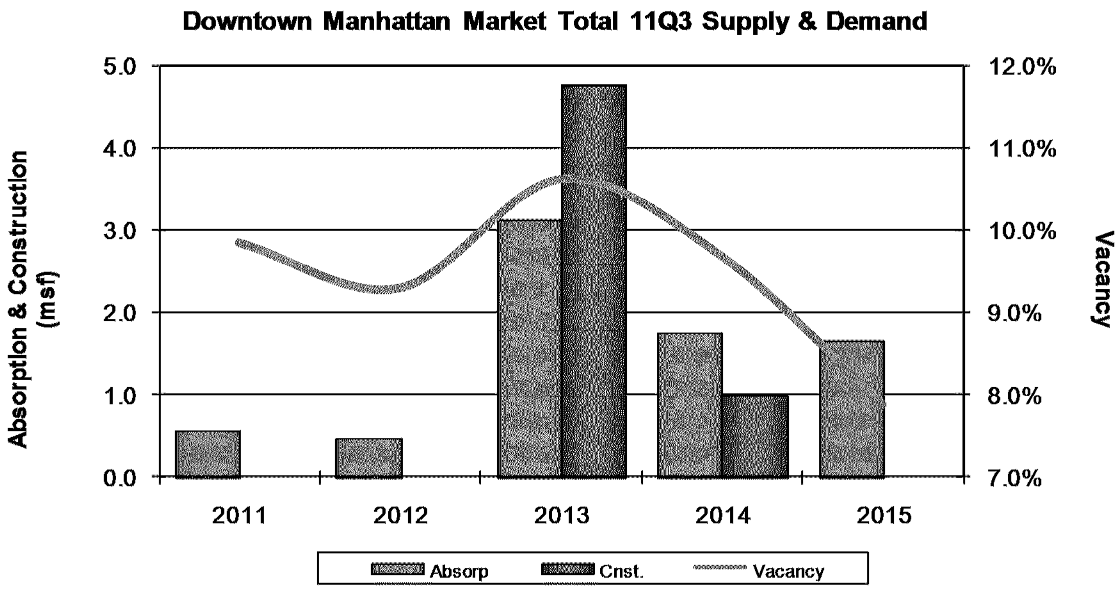
The following table and subsequent graph outline details of the demand analysis for the Downtown office market:

Office Market Demand Analysis Downtown Manhattan 11Q3					
Item	2011	2012	2013	2014	2015
EMPLOYMENT					
Office-Occupying Employment	5,164,429	5,212,067	5,305,664	5,459,312	5,605,872
Office Employment Growth Rate	0.3%	0.9%	1.8%	2.9%	2.7%
Net New Office-Based Jobs	17,863	47,638	93,597	153,648	146,560
SUPPLY					
Year-end Inventory	86,372,509	86,372,509	91,142,989	92,136,389	92,136,389
New Construction	0	0	4,770,480	993,400	0
Occupied Space (Sq. Ft.)	77,866,191	78,339,406	81,465,159	83,214,275	84,875,449
Vacanct/Available (Sq. Ft.)	8,506,318	8,033,103	9,677,830	8,922,114	7,260,940
Overall Vacancy Rate	9.8%	9.3%	10.6%	9.7%	7.9%
Forecast Net Absorption (Sq. Ft.)	520,926	473,215	3,125,753	1,749,116	1,661,174
SF Over (Under) Supply	(2,574,966)	(3,048,181)	(2,015,489)	(2,898,655)	(4,559,829)

Source: Data Courtesy of Moody's Economy.com, Cushman & Wakefield Research

Note: Over (Under) Supply is based on historical stabilized occupancy trends w ithin the market.

Absorption is based on a proprietary regression model using historical occupancy, rental rate movements, employment grow th, new construction and absorption tendencies.



Source: Cushman & Wakefield Research

CONCLUSION

Downtown's recovery will continue in 2011 with positive job numbers and rising demand. When compared to the other Manhattan office markets, Downtown will underperform in asking rents and vacancy rates for at least the near future. Historically, this has been the case, but projects like the World Trade Center site could help the market gain ground with such high-quality space entering the market. Downtown is on pace to have a record year in leasing activity with high profile deals like Conde Nast's lease at One World Trade.

Final thoughts:

- Vacancy in Downtown will remain somewhat stable in the last quarter of the year. Downtown is expecting decreasing vacancy in the next couple years until the World Trade Center releases new, high-quality space into the market.
- Asking rents will see minor increase in 2012 and in each subsequent year. The World Trade Center will have an impact upon the high-end office market in Downtown.
- Occupied space in Downtown continues to rise. Total absorption for the third quarter was 479,850 square feet.
- Attracting new types of companies to Downtown has been a success this year. Leasing activity in Downtown ended the quarter 129.3 percent higher compared to a year ago. The Downtown office market is well on its way to a great year in 2011.
- Downtown has always been home to major financial institutions, being the home of Wall Street. The ties New York City's financial system has to the European Union (EU) will be a major determinant to the Downtown office market. The ongoing debt crisis could threaten Downtown's recovery if the EU goes into recession.

LOCAL AREA MAP

CUSHMAN & WAKEFIELD.

CONFIDENTIAL C&W_0023210

FINANCIAL EAST OFFICE DISTRICT ANALYSIS

The subject property, 40 Wall Street, is 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. The Stock Exchange will construct their new headquarters directly across Broad Street from their existing facility on the square block bounded by Exchange Place, William Street and Wall Street.

Major users of space in this subdistrict include Goldman Sachs located at 85 Broad Street, 180 Maiden Lane, and One New York Plaza; Deutsche Bank located at 60 Wall Street; Wachovia Securities located at One New York Plaza; and Brown Brothers Harriman & Co. located at 140 Broadway; Standard & Poor's located at 55 Water Street; and the MTA located at Two Broadway. 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 markets as of third quarter 2011:

DOWNTOWN NEW YORK OFFICE MARKET Class A Space Third Quarter 2011						
	City Hall	World Financial	Financial West	Financial East	Insurance	Market Summary
Number of Buildings	7	7	2	21	9	**46**
Inventory (sf)	6,298,488	11,902,802	663,315	23,074,388	5,202,929	**47,141,922**
Total Space Available	55,757	415,112	149,010	3,422,239	355,447	**4,397,565**
Direct Space Available	0	372,545	82,853	3,170,416	291,071	**3,916,885**
Direct Vacancy Rate	0.0%	3.1%	12.5%	13.7%	5.6%	**8.3%**
Total Vacancy Rate	0.9%	3.5%	22.5%	14.8%	6.8%	**9.3%**
Direct Rental Rate	$0.00	$55.26	$35.64	$43.44	$37.28	**$43.69**
YTD Leasing Activity	63,854	2,476,944	45,226	1,313,567	239,482	**4,139,073**

For Class A space, the direct vacancy rates are zero percent for the City Hall subdistrict, 3.00 percent for the World Financial subdistrict, 12.50 percent for the Financial West subdistrict, 13.70 percent for the Financial East subdistrict and 5.60 percent for the Insurance sub district. This compares to the average Downtown direct vacancy rate of 8.3 percent for Class A space. When sublease space is included, the average vacancy rate for Downtown Class A space increases to 9.30 percent.

The Financial East subdistrict has the highest concentration of Class A office space with 23.1 million square feet as shown on the table above. The average Class A asking rental rate in the Financial East District was $43.44 as of the third quarter of 2011, slightly below the Downtown Class A average of $43.69.

DOWNTOWN NEW YORK OFFICE MARKET Class B Space Third Quarter 2011	City Hall	World Financial	Financial West	Financial East	Insurance	Market Summary
Number of Buildings	8	4	9	26	10	**57**
Inventory (sf)	3,192,893	3,618,654	3,962,787	11,271,101	6,146,145	**28,191,580**
Total Space Available	171,210	382,330	702,977	1,251,073	361,005	**2,868,595**
Direct Space Available	168,934	377,380	702,977	934,133	343,715	**2,527,139**
Direct Vacancy Rate	5.3%	10.4%	17.7%	8.3%	5.6%	**9.0%**
Total Vacancy Rate	5.4%	10.6%	17.7%	11.1%	5.9%	**10.2%**
Direct Rental Rate	$36.16	$37.04	$33.87	$34.94	$36.24	**$35.22**
YTD Leasing Activity	59,789	260,499	172,492	426,661	131,911	**1,051,352**

For Class B space, the direct vacancy rates are 5.30 percent for the City Hall subdistrict, 10.40 percent for the World Financial subdistrict, 17.70 percent for the Financial West subdistrict, 8.30 percent for the Financial East subdistrict and 5.60 percent for the Insurance sub district. This compares to the average Downtown direct vacancy rate of 9.00 percent for Class B space. When sublease space is included, the average vacancy rate for Downtown Class B space increases to 10.20 percent.

The Financial East subdistrict has the highest concentration of Class B office space with 11.3 million square feet as shown on the table above. The average Class B asking rental rate in the Financial West District was $34.94 as of the third quarter or 2011, below the Downtown Class B average of $35.22.

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 32 competitive buildings, excluding the subject. These office buildings are felt to be more indicative of the competition that would have a direct impact on the subject.

All of the available space reported reflects available direct space. Although we have included sublease space in our survey, this space is not considered a reliable occupancy indicator. It should be noted that direct asking rents are slightly higher than those typically negotiated and signed under the terms of an actual lease. In addition, these competitive properties reflect current asking rents based upon available space reflecting current market measurement standards.

COMPETITIVE BUILDINGS

	Property (Cross Streets)	Office Area (NRA)	Year Built	Stories	Minimum Floor Size	Maximum Floor Size	Direct SF Available	Sublease SF Available	% Occupied (Direct)	Direct Asking Rent Low	Direct Asking Rent High
1	**One World Financial Center** Bounded by Albany, Liberty, West Sts & South End Ave	1,461,365	1985	40	20,698	77,760	0	0	100.00%	N/A	N/A
2	**Two World Financial Center** Bounded by the Hudson River, West, Vesey & Liberty Streets	2,200,000	1987	44	1,769	145,802	0	1,769	100.00%	N/A	N/A
3	**American Express Tower** **Three World Financial Center** Bounded by Vesey Street & Westside Highway	2,300,000	1985	51	24,000	73,453	0	0	100.00%	N/A	N/A
4	**Merrill Lynch Tower** **Four World Financial Center** Bounded by Vesey Street, Westside Highway & North End Avenue	1,600,000	1986	34	15,600	91,345	0	0	100.00%	N/A	N/A
5	Broad Financial Center **33 Whitehall Street** B/w Bridge & Pearl Streets	395,000	1987	28	14,750	16,564	0	0	100.00%	N/A	N/A
6	NY Information Technology Ctr. **55 Broad Street** N/E/C Beaver Street	402,126	1967	30	8,000	24,707	38,037	0	90.54%	$36.00	$36.00
7	**85 Broad Street** Entire block bounded by Broad St., So. William St., Pearl St. & Coenties A	1,170,000	1983	30	8,024	39,014	806,748	0	31.05%	$43.00	$48.00
8	**45 Broadway Atrium** B/w Morris Street & Exchange Alley	368,315	1983	32	10,875	17,050	63,698	42,957	82.71%	$34.00	$38.00
9	The Equitable Building **120 Broadway** Entire block bounded by Bway, Pine, Nassau & Cedar Sts.	1,916,700	1915	41	35,254	55,500	167,144	14,483	91.28%	$34.00	$38.00
10	**140 Broadway** Entire block bound by Cedar, Nassau & Liberty Streets	1,200,000	1967	51	14,556	45,500	168,845	4,915	85.93%	$50.00	$50.00
11	**One Chase Manhattan Plaza** Entire block bounded by Pine, Nassau, Liberty & William Sts.	1,898,158	1960	60	26,096	35,518	0	0	100.00%	N/A	N/A

COMPETITIVE BUILDINGS (CONTINUED)

	Property (Cross Streets)	Office Area (NRA)	Year Built	Stories	Minimum Floor Size	Maximum Floor Size	Direct SF Available	Sublease SF Available	% Occupied (Direct)	Direct Asking Rent Low	Direct Asking Rent High
12	**Financial Square** Entire block bounded by Old Slip, Gouveneur Lane, Front & South Streets	1,000,301	1987	36	17,866	39,450	149,637	0	85.04%	$45.00	$50.00
13	**7 Hanover Square** Southerly Blockfront Between Water & Pearl Streets	847,000	1983	27	32,000	38,069	0	0	100.00%	N/A	N/A
14	**180 Water Street** S/E/C of John Street	467,000	1970	23	20,000	21,500	0	0	100.00%	N/A	N/A
15	**One Liberty Plaza** Entire block bounded by Broadway, Church & Cortlandt Streets	2,121,437	1972 2007	54	27,139	47,597	323,587	0	84.75%	$51.00	$55.00
16	Federal Reserve Plaza **33 Maiden Lane** N/E/C of Nassau St. throughblock to John Street	540,000	1984	27	21,000	24,047	96,188	0	82.19%	$34.00	$36.00
17	Continental Center **180 Maiden Lane** Entire block bounded by Front, Pine & South Streets	982,089	1983 2000	41	25,491	34,802	27,197	0	97.23%	$45.00	$45.00
18	**One New York Plaza** Entire Block Bounded By Broad,South,Whitehall & Water Sts.	2,103,750	1968 1994	50	26,000	63,000	613,519	0	70.84%	$50.00	$50.00
19	**Two New York Plaza** N/W/C of South Street & FDR Drive	1,345,919	1970 2006	40	8,000	39,765	60,296	77,780	95.52%	$39.00	$39.00
20	**Four New York Plaza** N/E/C of Broad & Water Streets	796,000	1968	23	37,980	49,570	49,528	0	93.78%	$32.00	$32.00
21	**Wall Street Plaza** **88 Pine Street** Bound by Water Street, Front Street & Maiden Lane	624,000	1971	32	19,300	21,650	38,108	7,358	93.89%	$40.00	$42.00
22	R.R. Donnelley & Sons Co. Bldg **75 Park Place** Entire block bounded by Murray, Greenwich & West Broadway	520,000	1987	14	17,145	51,953	0	40,798	100.00%	N/A	N/A

COMPETITIVE BUILDINGS (CONTINUED)

	Property (Cross Streets)	Office Area (NRA)	Year Built	Stories	Minimum Floor Size	Maximum Floor Size	Direct SF Available	Sublease SF Available	% Occupied (Direct)	Direct Asking Rent Low	Direct Asking Rent High
23	**One State Street Plaza** B/w Pearl & Water Streets	747,000	1970	35	11,700	35,071	64,030	49,549	91.43%	$42.00	$52.00
24	**17 State Street** N/E/C of Pearl Street opposite Battery Park	525,900	1988	42	9,741	14,899	76,368	14,484	85.48%	$50.00	$50.00
25	**One Battery Park Plaza** Entire block bounded by State, Pearl, Bridge & Whitehall Sts	810,625	1969	35	15,640	25,700	7,000	0	99.14%	$42.00	$42.00
26	Deutsche Bank Building **60 Wall Street** B/w William & Pearl Sts. thrublock to Pine St.	1,587,849	1989	47	29,000	52,084	0	0	100.00%	N/A	N/A
27	**100 Wall Street** Northerly blockfront between Water & Front Streets	457,622	1968 1994	29	15,277	19,136	119,960	9,441	73.79%	$36.00	$41.00
28	**55 Water Street** Entire block bound by Old Slip, South St. & Jeanette Park	3,600,000	1972	53	11,892	94,000	326,936	0	90.92%	$45.00	$45.00
29	**77 Water Street** Entire Block bound by Gouverneur, Old Slip, & Front Sts	614,011	1970	26	14,849	25,310	0	81,171	100.00%	N/A	N/A
30	**160 Water Street** N/W/C Fletcher Street through to Pearl Street	484,000	1970	24	22,000	22,000	0	0	100.00%	N/A	N/A
31	American International Bldg **175 Water Street** Entire block bound by Burling Slip, Front & Fletcher Sts	592,635	1983	30	18,482	20,721	0	0	100.00%	N/A	N/A
32	One Seaport Plaza **199 Water Street** Entire block bound by Burling Slip & Fulton Street	933,310	1984	35	12,200	35,999	0	57,018	100.00%	N/A	N/A
	TOTAL	36,612,112					3,196,826	401,723			
	AVERAGE	1,144,129	1979	36	18,510	43,704	99,901	12,554	91.27%	$32.00	$55.00

The buildings that are competitive with the subject contain a total net rentable area of 36,612,112 square feet. The average overall direct occupancy rate for these buildings is 91.27 percent, compared to 91.70 percent for Class A office space in the Downtown market as a whole. The minimum asking rent for the 32 buildings that are competitive with the subject is $32.00 per square foot and the average maximum asking rent is $55.00 per square foot.

By averaging the data for these buildings it is possible to create an image of what a building that is competitive with the subject is like. The typical building would have an average net rentable area of 1,144,129 square feet; it would have 36 stories; and it would be of 1979 construction. The typical floor size would average from 18,510 to 43,704 square feet. The typical building would have 99,901 square feet of direct space available.

DIRECTLY COMPETITIVE BUILDINGS

Of the 32 buildings presented, eight 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 eight competitive buildings 120 Broadway, One Chase Manhattan Plaza, One New York Plaza, Two New York Plaza, 88 Pine Street, One State Street Plaza, 100 Wall Street, 180 Maiden Lane, and 100 Wall Street.

DIRECTLY COMPETITIVE BUILDINGS

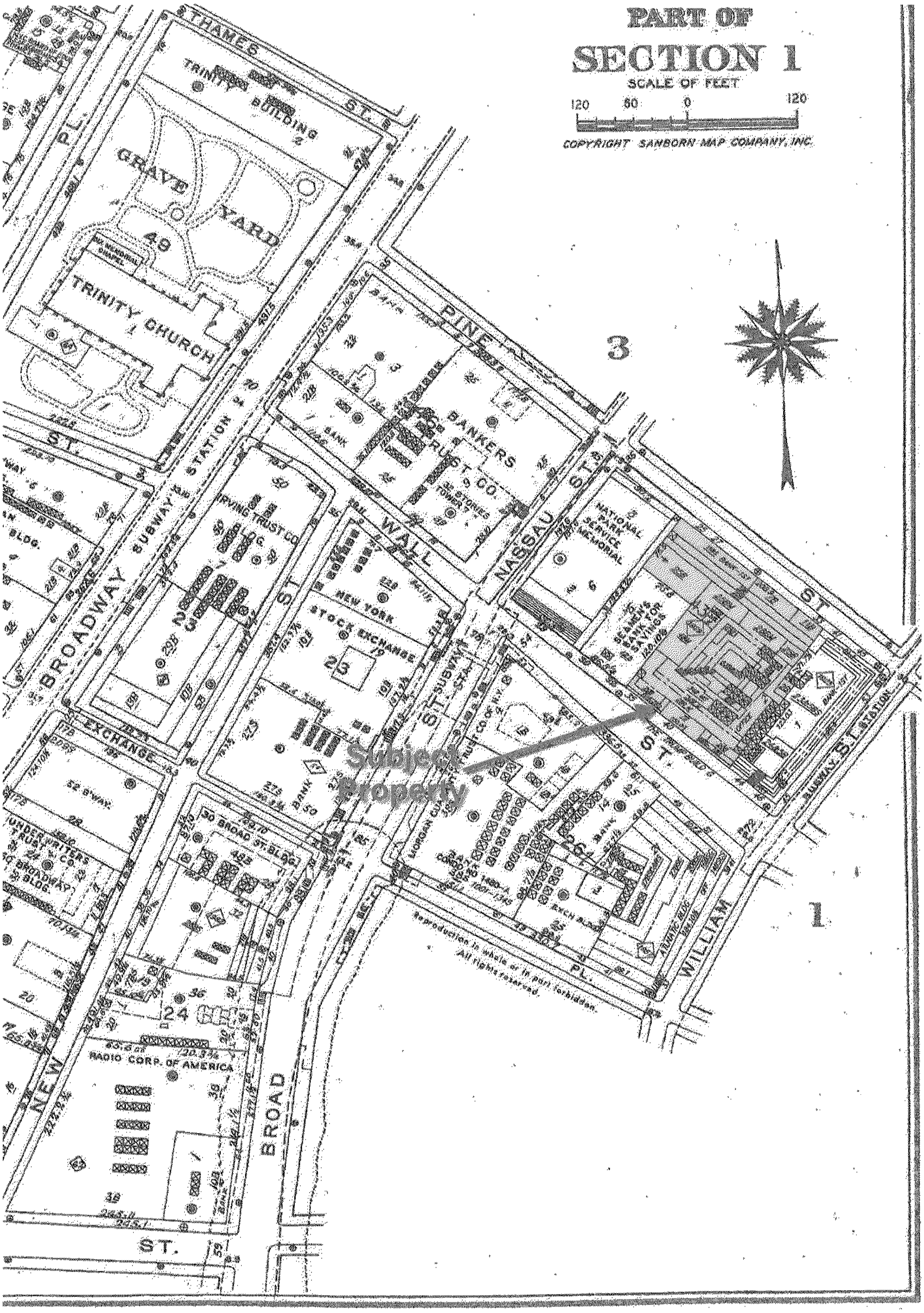
	Property (Cross Streets)	Office Area (NRA)	Direct Avail. SF	Sublease Avail SF	% Occupied (Direct)	% Occupied (Total)	Direct Asking Rent Low	Direct Asking Rent High
1	120 Broadway	1,916,700	167,144	14,483	91.28%	90.52%	$34.00	$38.00
2	One Chase Manhattan I	1,898,158	0	0	100.00%	100.00%	N/A	N/A
3	One New York Plaza	2,103,750	613,519	0	70.84%	70.84%	$50.00	$50.00
4	Two New York Plaza	1,345,919	60,296	77,780	95.52%	89.74%	$39.00	$39.00
5	88 Pine Street	624,000	38,108	7,358	93.89%	92.71%	$40.00	$42.00
6	One State Street Plaza	747,000	64,030	49,549	91.43%	84.80%	$42.00	$52.00
7	180 Maiden Lane	982,089	27,197	0	97.23%	97.23%	$45.00	$45.00
8	100 Wall Street	457,622	119,960	9,441	73.79%	71.72%	$36.00	$41.00
	TOTAL	10,075,238	1,090,254	158,611				
	AVERAGE	1,259,405	136,282	19,826	89.18%	87.60%	$34.00	$52.00

The average direct occupancy rate for these eight directly competitive buildings is 89.18 percent for direct space and 87.60 percent when including sublease space. Excluding One New York Plaza, which is is lease up, the average direct occupancy is 94.02 percent. This compares with an average direct occupancy rate of 91.29 percent for all of the buildings competitive with the subject and 91.70 percent for direct Class A space within the Downtown market.

SUMMARY AND CONCLUSIONS

Of the 32 buildings competitive with the subject, eight buildings are considered directly competitive; 120 Broadway, One Chase Manhattan Plaza, One New York Plaza, Two New York Plaza, 88 Pine Street, One State Street Plaza, 100 Wall Street, 180 Maiden Lane, and 100 Wall Street 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 $30's per square foot and stabilize at an occupancy rate in the range of 90 percent.

SANBORN MAP



CUSHMAN & WAKEFIELD.

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

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 the late 1990s.)
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:	1,162,575 square feet (Per Rent Roll/Leases)
	1,181,691 square feet (Remeasured)
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 fmished 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 tv 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.

EntranceILobby:	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:	81 years
Effective Age:	35 years (The building was renovated in 1996 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:	2011/12		2010/11	
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	$51,020,000	$55,327,393	$52,020,000	$50,130,000
Total Assessed Value	$71,000,000	$75,307,393	$72,000,000	$70,110,000
TAX LIABILITY				
Taxable Assessment	$71,000,000		$70,110,000	
Tax Rate	10.152%		10.312%	
Total Property Taxes	$7,207,920		$7,229,743	
* Excludes ICIP tax exemption.				

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 transitional assessed value is less than the actual assessed value for 2011/2012. Our tax projection for the subject property, therefore, is based upon the 2010/11 actual and 2011/2012 transitional assessments for calendar year 2011 as follows:

2011 CALENDAR TAX PROJECTIONS	
2011/12 Fiscal Taxes $7,207,920 @ 50% =	$3,603,960
2010/11 Fiscal Taxes $7,229,743 @ 50% =	$3,614,872
2011 Calendar Year Tax Liability =	$7,218,832
2011 Calendar Year BID Taxes =	$190,556
2011 Total Calendar Year Tax Liability =	$7,409,387
Tax Liability per Square Foot GBA =	$6.98

As can be seen from the previous summary of tax liability, the subject property's assessments increased from 2010/2011 to 2011/2012. 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.

In addition to the tax liability of the City of New York, the property is also subject to an assessment by the area's business improvement district. This special district assessment is based on a per square foot charge, rather than the assessed value of the building. In 2011, the special district assessment is $190,556.

As can be seen from the previous summary of tax liability, the subject property's assessments increased from 2010/11 to 2011/2012. 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.

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	$104,424,913	$65.35	$10,601,217	$6.63
2	One Chase Manhattan Plaza	44	1	2,239,000	1963	$166,014,272	$74.15	$16,853,769	$7.53
3	88 Pine Street	38	17	623,858	1973	$49,567,094	$79.45	$5,032,051	$8.07
4	One State Street Plaza	9	1	845,018	1969	$87,431,020	$103.47	$8,875,997	$10.50
5	180 Maiden Lane	37	23	1,079,361	1983	$107,825,000	$99.90	$10,946,394	$10.14
6	100 Wall Street	38	1	463,664	1969	$38,644,729	$83.35	$3,923,213	$8.46
STATISTICS									
	Low:			463,664	1915	$38,644,729	$65.35	$3,923,213	$6.63
	High:			2,239,000	1983	$166,014,272	$103.47	$16,853,769	$10.50
	Average:			1,141,478	1962	92,317,838	$84.28	9,372,107	$8.56

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 $6.83 to $10.50 per square foot of gross building area. The average tax of the comparable properties is $8.56 per square foot. This compares with the subject's 2011/2012 fiscal tax liability of $7,207,920 or $6.96 per square foot of the assessor's gross building area of 1,061,266± square feet.

The subject property appears under-assessed in the initial years of the holding period in light of its location and level of income. Although the subject's real estate taxes appears reasonable in light of the tax comparables, the assessor's estimate of market value is $157,777,777 (which is the basis of the subject's assessed value), while the appraiser estimate of market value is $270,000,000. Thus, the subject appears to be under-assessed. Based upon the property's increasing net operating income over the next several years, we have assumed the assessed value will stabilize at $90,000,000 (taxes near $9.00 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 $71,000,000, which reflects the first year of a five year transitional assessment phase-in to the assessed value of $90,000,000 as shown on the following chart.

PHASE-IN PERIOD	TAX YEAR	ASSESSED VALUE PHASE-IN
1	2011/12	$71,000,000
2	2012/13	$75,750,000
3	2013/14	$80,500,000
4	2014/15	$85,250,000
5	2015/16	$90,000,000

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 is under-assessed and will receive large tax increases in the near term. We have assumed the assessed value will stabilize at $90,000,000 (taxes near $9.00 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 City administration has stated it requires tax increases to meet expected fiscal deficits. The tax rates in the last five fiscal years are exhibited on the following chart.

YEAR	TAX RATE
2007/08	10.059
2008/09	10.241
2009/10	10.426
2010/11	10.312
2011/12	10.152

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 2012/13. 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
2011	$7,218,832	$190,556	$7,409,387	$6.98
2012	$7,487,481	$196,272	$7,683,753	$7.24
2013	$8,051,833	$202,160	$8,253,993	$7.78
2014	$8,626,723	$208,225	$8,834,949	$8.32
2015	$9,212,307	$214,472	$9,426,779	$8.88
2015	$9,650,408	$220,906	$9,871,314	$9.30

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.

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
Maximum Street Wall	

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.

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

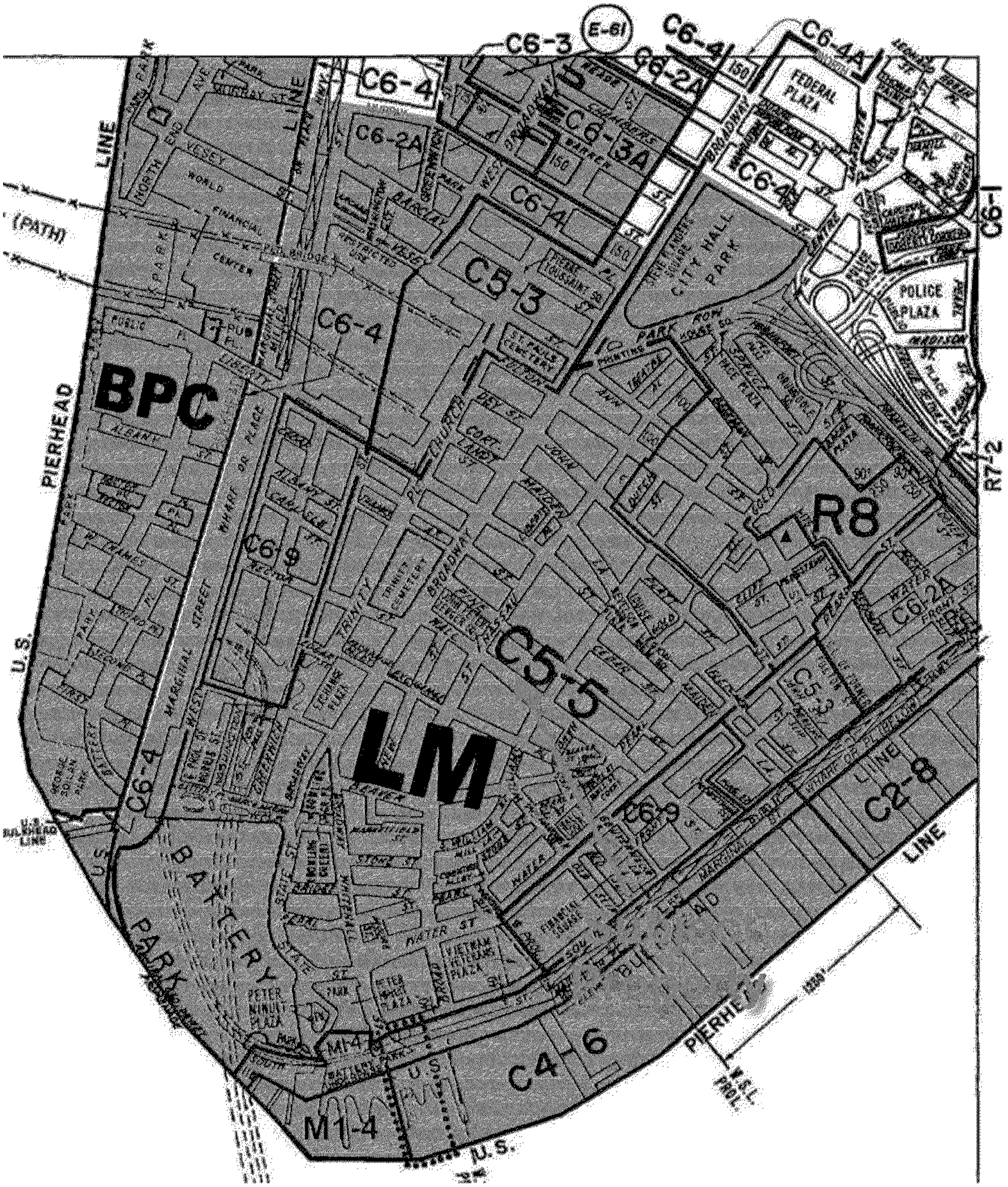
ZONING	LAND SF	FAR	BUILDABLE SF
C5-5	34,360± SF	@ 15 =	515,400± square feet

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 building bulk as of right of 515,400± square feet.

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.

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

HIGHEST AND BEST USE

HIGHEST AND BEST USE CRITERIA

The Dictionary of Real Estate Appraisal, Fourth Edition (2002), 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.

Given the current state of the economy and the state of the state of the financial markets, it is our opinion that the typical investor or developer would deem a development of the subject site at this time not feasible.

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.

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 AND LAND VALUATION

40 Wall Street is subject to a ground lease. For informational purposes, the ground lease has been summarized and analyzed as follows:

GROUND LEASE SUMMARY			
Landlord:	Nautilus Real Estate Inc. and Scandic Wall Limited Partnership		
Tenant:	40 Wall Street LLC c/o The Trump Organization		
Property:	40 Wall Street, New York, New York		
Lease Index:	Ground Lease dated November 30, 1995. Lease 1st Modification dated May 1, 1997 Lease 2nd Modification dated November 24, 1998 Lease 3rd Modification dated July 29, 2002 Lease 4th Modification dated December 31, 2007		
Date of Lease:	November 30, 1995		
Term:	67.6 months 4th Lease modification & Sec: 26 Pg: 53.		
Lease Commencement Date:	November 30, 1995		
Rent Commencement Date:	November 30, 1995		
Fixed Expiration Date:	April 30, 2059. Sec:1 Pg: 2 Lease doc		
Fixed Rent:	Begin	End	Annual Rent
	11/30/1995	11/29/1997	$1,500,000.00
	11/30/1997	11/29/1998	$750,000.00
	11/30/1998	11/29/1999	$650,000.00
	01/01/2008	12/31/2012	$1,500,000.00
	01/01/2013	12/31/2017	$1,650,000.00
	01/01/2018	12/31/2019	$1,815,000.00
	01/01/2020	12/31/2022	$2,315,000.00
	01/01/2023	12/31/2027	$2,546,500.00
	01/01/2028	12/31/2032	$2,801,150.00
	4th Lease Modification Pg: 2.		
	Base Rent for Revaluation Period: Greater of (a) 6.0% the then value of the land considered as vacant and unimproved but with the right to construct a 900,000 SF Bldg for (x) office purposes and (y) ground floor retail space or other retail space in the Bldg which existed after 1/1/2028 or (b) 85.0% of the Then rental. 4th modification Pg: 4.		

Rent Adjustment:	Landlord may require Valuation of the land as of 1/1/2033 and each 25 years thereafter. Land is to be valued as vacant and unimproved but w/ right to construct a 900,000 SF building thereon. Rent becomes greater of (a) 6% of Value or (b) 85% of rent for the prior year. 4th modification Sec: 2.05 Pg: 4.
Renewal Option:	Tenant has right to exercise two renewal options to 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. Sec: 26 pg: 53
Insurance:	Tenant shall maintain its own cost and expense all risk insurance, liability for bodily injury and death, personal injury and property damage, rent or business interruption insurance and such other insurance as required by Landlord. Sec: 5. Pg: 9&10.
Use:	For any Lawful purposes. Sec: 11.01. Pg: 20.
Alterations and Improvements:	Only demolition of building requires Landlord's consent. All alterations are subject to typical restrictions but do not require Landlord's consent. Sec: 9.01 Pg: 17
Repairs:	Tenant is responsible for all repairs and maintenance of the premises. Sec: 7 Pg: 14
Taxes & Imposition:	Tenant shall pay for all Taxes and other charges. Sec: 3.01 Pg: 5.
Purchase Option:	If Landlord elects to sell its interest in property, Tenant has the right of first offer to purchase the fee interest at all the cash price offered by accepting Landlord's notice with in 30 days after getting the offer by Landlord. Sec: 23.04 Pg: 49.
Default:	Monetary Default: 20 days after written notice. Non Monetary Default: 60 days or more if default cannot be cured in 60 days. Sec: 19 Pg: 43
Estoppel:	Within Twenty (20) days prior notice with request from either parties. Sec: 20 Pg: 47
Mortgages, Assignment & Sublease:	Tenant has the absolute right w/o Landlord's consent to: (a) assign or transfer lease, Sec: 18.01. (b) mortgage the lease up to 85% of FMV. Sec 18.02 and (c) sublease all or part of the premises as an entirety for occupancy at least 50% of the premises and not for further subletting. Sec: 18.06 Pg: 30 Landlord shall upon Tenant request enter in to a Non Disturbance agreement with the Tenant and Sub tenant in form and substance who obtained such an agreement from the leasehold mortgage. Sec: 18.10 Pg: 41 Tenant shall not modify the terms of sublease having an unexpired term of 5 years or more or with rents at $250,000 p.a. without the prior written consent of Landlord. Sec: 18.10 Pg: 41.

Condemnation:	If at any time during the term of this lease title to the whole or substantially all of the demised premises shall be taken by the exercising the right of condemnation or eminent domain. The proceeds of any award shall be paid as follows: a) First, to each parties their respective reasonable cost of collection of the award, Second, to Landlord, the sum of $12,000,000 which shall be increased by the same percentage increase in the net annual rent, Third, settlement to Leasehold mortgages in order of their seniority, Fourth, to Tenant to the extent that the then depreciated value of any improvements to the demised premises made by Tenant shall exceed the amount paid to the holders of Leasehold Mortgage. b) If the value of the unexpired portion of Tenant's leasehold estate which value not have been separately determined in such proceeding such value will be fixed by agreement between Landlord & Tenant. Sec: 16.03 Pg: 27&28.

The ground lease payments currently total $1,500,000 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; or, (b) 85.0% of the then lease payments. 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.

In order to estimate the value of the leasehold interest, we have estimated the property's land value assuming it is vacant, unimproved and unencumbered and available to be put to its highest and best use. We have estimated the property's land value assuming it is vacant, unimproved and unencumbered and available to be put to its highest and best use.

LAND VALUATION (SUBJECT TO REQUIREMENTS OF THE GROUND LEASE)

We used the Sales Comparison Approach to develop an opinion of land value subject to requirements of the ground lease. In this method, we analyzed prices buyers have recently paid for similar sites in this area. In making comparisons, we adjusted the sale prices for differences between this site and the comparable sites. We present on the following pages a summary of pertinent details of sites recently sold that we compared to the site appraised.

Real estate developers make qualitative and quantitative judgments in the acquisition of a site with development potential such as the subject property. Subjectively, a developer considers the nature of surrounding land uses and proximity to complimentary services to a potential project. Objectively, the physical and functional attributes of the site, and the cost of preparing it for construction must be calculated. Lying between these two considerations are the many aesthetic and economic factors, which come to influence the final product.

The most widely used and market-oriented unit of comparison for development parcels such as the subject site is the sale price per square foot of developable area (FAR) as of right. This unit of comparison is the most accurate method of comparison, since it defines land parcels in terms of their maximum development potential as related to the site. This diminishes the impact of differences caused due to zoning and other factors affecting the utility of the parcel. By using the FAR method of comparison, some of the more abstract comparisons are eliminated. Most important, this method of comparison is also that which is most used by developers and investors for this type of property. All comparable sales were analyzed on this basis.

In our analysis, we compared the sales to the subject property based upon changes in market conditions since the date of sale, location of the real estate, physical and functional traits and the economic characteristics of the property. Percentage adjustments were made to account for differences between the subject and comparables for the following items: property rights conveyed, financing terms and conditions of sale, time (market conditions), location, zoning, configuration, size (MPBB), utility and other.

Our analysis assumes the subject's site developable area (FAR) as of right is 900,000 as stipulated in the ground lease.

DISCUSSION OF ADJUSTMENTS

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 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. Therefore, no adjustments were 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 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.

EXPENSES AFTER PURCHASE

The adjustments between the subject property and comparable sales for expenses after purchase have been expressed in percentages. In many situations, the purchaser may incur costs that may affect transaction prices. The sales did not incur significant expenses after their purchase. Therefore, no adjustments for additional expenses are required to the comparables.

MARKET CONDITIONS

The sales included in this analysis occurred between February 2006 and June 2007. The market has fluctuated over this time period, reflecting the sub-prime crisis that began in August 2007, and the ensuing credit crisis that began in September 2008. As a result, we have made a market condition adjustments of an upward adjustment of 25 percent to August 2007, a downward adjustment of -10 percent to August 2008, a one time downward adjustment of 20 percent in September 2008, a downward adjustment of 10 percent to October 2009, then made no adjustment to to November 1, 2011, the effective date of this appraisal.

LOCATION

Location adjustments were intended to reflect differences with regard to the character of the avenue or street, proximity to transportation, desirability with regard to Midtown 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. Each comparable was adjusted accordingly.

SIZE

The size adjustment generally reflects the inverse relationship expressed between unit price and size. Smaller properties tend to sell for higher unit prices than larger properties, and vice versa. Positive adjustments were made to larger properties, and negative adjustments were made to smaller properties. Size adjustments were made in comparison to the subject property developable area as follows:

Within 25 percent +/- of the subject's square footage no adjustment was made; between 26 percent and 50 percent of the subject's square footage a 5 percent +/- adjustment was made; between 51 percent and 75 percent of the subject's square footage a 10 percent +/- adjustment was made; between 76 percent and 100 percent larger than the subject's square footage or alternatively 50% smaller than the subject's square footage a 15 percent +/- adjustment was made and for properties larger than 100 percent a 20 percent +/- adjustment was applied.

SIZE ADJUSTMENT	
SIZE -% DIFFERENCE FROM SUBJECT SQUARE FOOTAGE	PERCENTAGE ADJUSTMENT TO THE COMPARABLE
0-25%	No adjustment
26-50%	5%
51-75%	10%
76-100%	15%
>100%	20%

Zoning
Adjustments were intended to reflect differences with regard to plots that were zoned for residential use or low-density commercial districts that limit their commercial use potential. Downward adjustments were made to properties with superior zoning designation while upward adjustments were made to properties with inferior zoning designation.

Configuration
Adjustments were intended to reflect differences with regard to plots, which were more irregular in shape versus plots, which were more square or rectangular. Configuration affects the shape of the prospective building's floor plate and is an important factor for developers and investors. Downward adjustments were made to superior properties while upward adjustments were made to inferior properties.

Utility
When making adjustments for utility, we considered the economic characteristics of the proposed developments. Downward adjustments were made to superior properties while upward adjustments were made to inferior properties.

Other
In some cases, other variables will impact the price of a transaction. Some examples would include soil or slope conditions, restrictive zoning, easements or external influences. Downward adjustments were made to superior properties while upward adjustments were made to inferior properties.

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	Block/ Lot	Frontage	Configuration	Lot Size (SF)	Zoning	FAR	Max Bldg. Area (SF)	Unit Price/FAR
1	**91-95 Chambers Street** Btwn Church Street & Broadway Downtown, Manhattan	Jun-07	$23,150,000	RAEM 93 Chambers St/RAE-ME Realty LLC / 77 Realty LLC	Various	Blockfront Parcel	Rectangular	11,670	C6-4 (TMU)	7.52	87,758	$263.79
	Comments: This is the sale of two contiguous development sites located on the north side of Chambers Street between Church Street and Broadway. At the time of sale, the lots were improved with two buildings with a combined gross building area of 23,950± square feet. As such, we have applied demolition costs estimated at $20 per square foot to the final purchase price. The property is located within the Tribeca Mixed Use Special District, which requires approvals from the Landmarks Preservation Commission (LPC) for redevelopment. According to public record, the grantee received LPC approval for the construction of a six-story, 65,000± square foot condominium building with ground floor retail and is in the process of seeking a bulk waiver from the City Planning Commission.											
2	**215 Pearl Street** Btwn Platt Street & Maiden Lane Downtown, Manhattan	Apr-07	$37,831,550	215 Pearl LLC Lam`s Golden Pearl Hotel Plaza LLC	Various	Blockfront Parcel	Rectangular	13,471	C5-5	15.00	202,065	$187.22
	Comments: This is the sale of 4 parcels of land located in the Insurance District of Lower Manhattan. The Lam Group reportedly intends to develop two hotel buildings on the site, one operated by Sheraton and the other operated by Aloft. Lot 4 was improved with a 5-story residential building with a gross floor area of 17,324 square feet at the time of purchase. Therefore, we have estimated demolition costs of $20.00 per square foot, which we have included in the sales price.											
3	**99 Church Street** Btwn Barclay Street & Park Place Downtown, Manhattan	Dec-06	$170,050,000 $2,000,000 $172,050,000	Moody's Investors Service / Silverstein Properties	Block 123 Lot 10	Blockfront Parcel	Rectangular	29,125	C5-3CR	15.00	436,875	$393.82
	Comments: The property is currently improved with an 11-story office building that was the former headquarters of Moody's Investor Services, who will relocate to 7 World Trade Center. The building, containing 336,000 square feet, is intended to be demolished by Silverstein Properties, who will redevelop the site. We estimated $2,000,000 for demolition costs.											
4	**151-161 Maiden Lane** Btwn Front Street & South Street Downtown, Manhattan	Oct-06	$56,081,000	Barbara Pollard/Hasa Realty LLC The Pioneer Companies	Various	Corner Parcel	Rectangular	11,215	C5-3	15.00	168,225	$333.37
	Comments: This is the sale of two adjacent lots. At the time of sale, Lot 7 was improved with a 6-story office building, while Lot 2 is improved with a surface parking lot. The existing improvements are to be razed to make way for the construction of a hotel condominium at a cost of $750,000, which is included in the sale price. The lots are located in a site designated as a receiving site for transferable development rights that were created during the formation of the South Street Seaport District. The grantee purchased 74,019 square feet of transferable development rights in two separate transactions for a blended cost of $115 per square foot. This brings the total cost to $56,081,000, $333.37 per square foot of ZFA.											
5	**140 Liberty Street** South side of Liberty Street Downtown, Manhattan	Feb-06	$59,000,000	140 Liberty Street Associates / Lower Manhattan Development Corporation	Block 56 Lot 15	Corner Parcel	Irregular	18,779	C6-9	15.00	281,685	$209.45
	Comments: The site was previously utilized as a parking lot located on the south side of Liberty Street with additional frontage on the west side of Washington Street, west side of West Street and north side of Cedar Street.											

STATISTICS	Consideration	Lot Size (SF)	Max Bldg. Area (SF)	Unit Price/FAR
LOW	$23,150,000	11,215	87,758	$187.22
HIGH	$172,050,000	29,125	436,875	$393.82
MEAN	$69,622,510	16,852	235,322	$277.53
MEDIAN	$56,081,000	13,471	202,065	$263.79

COMPARABLE SALE NO. 1

This sale consists of two contiguous development sites located at 91-95 Chambers Street on the north side of Chambers Street between Church Street and Broadway. This property sold in June 2007 from RAEM 93 Chambers St/RAE-ME Realty LLC to 77 Realty LLC for a purchase price of $23,150,000 which includes demolition costs we estimated at $20 per square foot. At the time of sale, the lots were improved with two buildings with a combined gross building area of 23,950± square feet. We have applied demolition costs estimated at $20 per square foot to the purchase price. The property is located within the TriBeCa Mixed Use Special District, which requires approvals from the Landmarks Preservation Commission (LPC) for redevelopment. According to public record, the grantee received LPC approval for the construction of a six-story, 65,000± square foot condominium building with ground floor retail and is in the process of seeking a bulk waiver from the City Planning Commission. This parcel contains a total land area of 11,670± square feet. This property is in the C6-4 zoning district. Based on the total FAR of 87,758± square feet, the resulting unit value is $263.79 per FAR.

In comparison with the subject property, a downward adjustment was required for market conditions. A downward adjustment was required for size. A downward adjustment was required for plottage. No other adjustments were required. The adjusted price is $125.69 per FAR.

COMPARABLE SALE NO. 2

This sale is located at 215 Pearl Street between Platt Street and Maiden Lane in the Insurance District of Downtown Manhattan. This property sold in April 2007 from 215 Pearl LLC to Lam`s Golden Pearl Hotel Plaza LLC for a purchase price of $37,831,550. This is the sale of 4 parcels of land located in the Insurance District of Lower Manhattan. The Lam Group reportedly intends to develop two hotel buildings on the site, one operated by Sheraton and the other operated by Aloft. Lot 4 was improved with a 5-story residential building with a gross floor area of 17,324 square feet at the time of purchase. Therefore, we have estimated demolition costs of $20.00 per square foot, which we have included in the sales price. This parcel contains a total land area of 13,471± square feet. This property is in the C5-5 zoning district. Based on the total FAR of 202,065± square feet, the resulting unit value is $187.22 per FAR.

In comparison with the subject property, a downward adjustment was required for market conditions. A downward adjustment was required for size. A downward adjustment was required for plottage. No other adjustments were required. The adjusted price is $94.29 per FAR.

COMPARABLE SALE NO. 3

This sale is located at 99 Church Street between Barclay Street and Park Place. This property sold in December 2006 from Moody's Investors Service to Silverstein Properties for a purchase price of $172,050,000. This parcel contains a total land area of 29,125± square feet. The site is zoned C5-3CR. The property is currently improved with an 11-story office building that was the former headquarters of Moody's Investor Services, who will relocate to 7 World Trade Center. The building, containing 336,000 square feet, is intended to be demolished by Silverstein Properties, who will redevelop the site. We were provided with budgeted costs of $2,000,000 for demolition costs. Based on the total FAR of 436,875± square feet, the resulting unit value is $393.82 per FAR.

In comparison with the subject property, a downward adjustment was required for market conditions. A downward adjustment was required for size. A downward adjustment was required for utility. A downward adjustment was required for plottage. No other adjustments were required. The adjusted price is $101.33 per FAR.

Comparable Sale No. 4

This sale is located at 151-161 Maiden Lane between Front Street & South Street. This property sold in October 2006 from Barbara Pollard/Hasa Realty LLC to The Pioneer Companies for a purchase price of $56,081,000. This is the sale of two adjacent lots. This property is in the C5-3 zoning district. At the time of sale, Lot 7 was improved with a 6-story office building, while Lot 2 is improved with a surface parking lot. The existing improvements have been razed to make way for the construction of a hotel condominium at a cost of $750,000, which is included in the sale price. The lots are located in a site designated as a receiving site for transferable development rights that were created during the formation of the South Street Seaport District. The grantee purchased 74,019 square feet of transferable development rights in two separate transactions for a blended cost of $115 per square foot. This brings the total cost to $56,081,000, $333.37 per square foot of ZFA. Based on the total FAR of 168,225± square feet, the resulting unit value is $333.37 per FAR.

In comparison with the subject property, a downward adjustment was required for market conditions. A downward adjustment was required for corner influence/ access. A downward adjustment was required for size. A downward adjustment was required for utility. A downward adjustment was required for plottage. No other adjustments were required. The adjusted price is $89.95 per FAR.

Comparable Sale No. 5

This is the February 2006 sale located at 140 Liberty Street from the Lower Manhattan Development Corporation to Milstein Properties. The purchase price is $59,000,000. This parcel contains a total land area of 18,779± square feet. The site is zoned C6-9. This is the last development site in Battery Park City. The site was previously utilized as a parking lot and is located on the south side of Liberty Street with additional frontage on the west side of Washington Street, west side of West Street and north side of Cedar Street. Based on the total FAR of 281,685± square feet, the resulting unit value is $209.45 per FAR.

In comparison with the subject property, an upward adjustment was required for market conditions. A downward adjustment was required for location. A downward adjustment was required for corner influence/ access. A downward adjustment was required for size. A downward adjustment was required for plottage. No other adjustments were required. The adjusted price is $100.40 per FAR.

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 five comparable sales exhibit a range in unadjusted unit prices from $187.22 to $393.82 per FAR. The sales occurred between February 2006 and June 2007. The sites involved both small and large development sites ranging in size from 87,758 to 436,875 square feet of FAR. 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.	$/FAR Date	Property Rights Conveyed	Financing & Conditions of Sale	Exp. After Purchase	# Months/ Market Conditions *	Subtotal	Location	Zoning	Corner Influence/ Access	Configuration	Size (MPBB)	Utility	Other	Adj. $/SqFt
1	$263.79	Fee Simple/Mkt.	Arms-Length	None	53	$193.37	Similar	Similar	Similar	Similar	Smaller	Similar	Superior	$125.69
	6/07	0.0%	0.0%	0.0%	-26.7%	-26.7%	0.0%	0.0%	0.0%	0.0%	-20.0%	0.0%	-15.0%	-35.0%
2	$187.22	Fee Simple/Mkt.	Arms-Length	None	55	$145.06	Similar	Similar	Similar	Similar	Smaller	Similar	Superior	$94.29
	4/07	0.0%	0.0%	0.0%	-22.5%	-22.5%	0.0%	0.0%	0.0%	0.0%	-20.0%	0.0%	-15.0%	-35.0%
3	$393.82	Fee Simple/Mkt.	Arms-Length	None	59	$337.77	Similar	Similar	Similar	Similar	Smaller	Smaller	Superior	$101.33
	12/06	0.0%	0.0%	0.0%	-14.2%	-14.2%	0.0%	0.0%	0.0%	0.0%	-20.0%	-35.0%	-15.0%	-70.0%
4	$333.37	Fee Simple/Mkt.	Arms-Length	None	61	$299.85	Similar	Similar	Superior	Similar	Smaller	Smaller	Superior	$89.95
	10/06	0.0%	0.0%	0.0%	-10.1%	-10.1%	0.0%	0.0%	-10.0%	0.0%	-20.0%	-25.0%	-15.0%	-70.0%
5	$209.45	Fee Simple/Mkt.	Arms-Length	None	69	$223.11	Superior	Similar	Superior	Similar	Smaller	Similar	Superior	$100.40
	2/06	0.0%	0.0%	0.0%	6.5%	6.5%	-10.0%	0.0%	-10.0%	0.0%	-20.0%	0.0%	-15.0%	-55.0%

SUMMARY

Price Range	Unadj. $/FAR	Adj. $/FAR
Low	$187.22	$89.95
High	$393.82	$125.69
Average	$277.53	$102.33

Net Adjustment Range	
Low	-70.0%
High	-35.0%
Average	-53.0%

CONCLUSION

CONCLUSION	$/SqFt
Indicated Value	$100.00
Site Area (Maximum FAR)	x 900,000
Indicated Value	$90,000,000
Rounded	$90,000,000
Per square foot	$100.00

***Market Conditions Adjustment**

Date of Value (for adjustment calculations): November 1, 2011

Yearly Adjustment to	November 1, 2011	0.00%
Yearly Adjustment to	October 1, 2009	-10.00%
One-Time Adjustment on	September 15, 2008	-20.00%
Yearly Adjustment to	September 1, 2008	-10.00%
Yearly Adjustment to	August 1, 2007	25.00%

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 $187.22 to $393.82 per FAR. After adjustments, the land sales reflect a range from $89.95 to $125.69 per FAR. The average adjusted unit value is $102.33 per FAR.

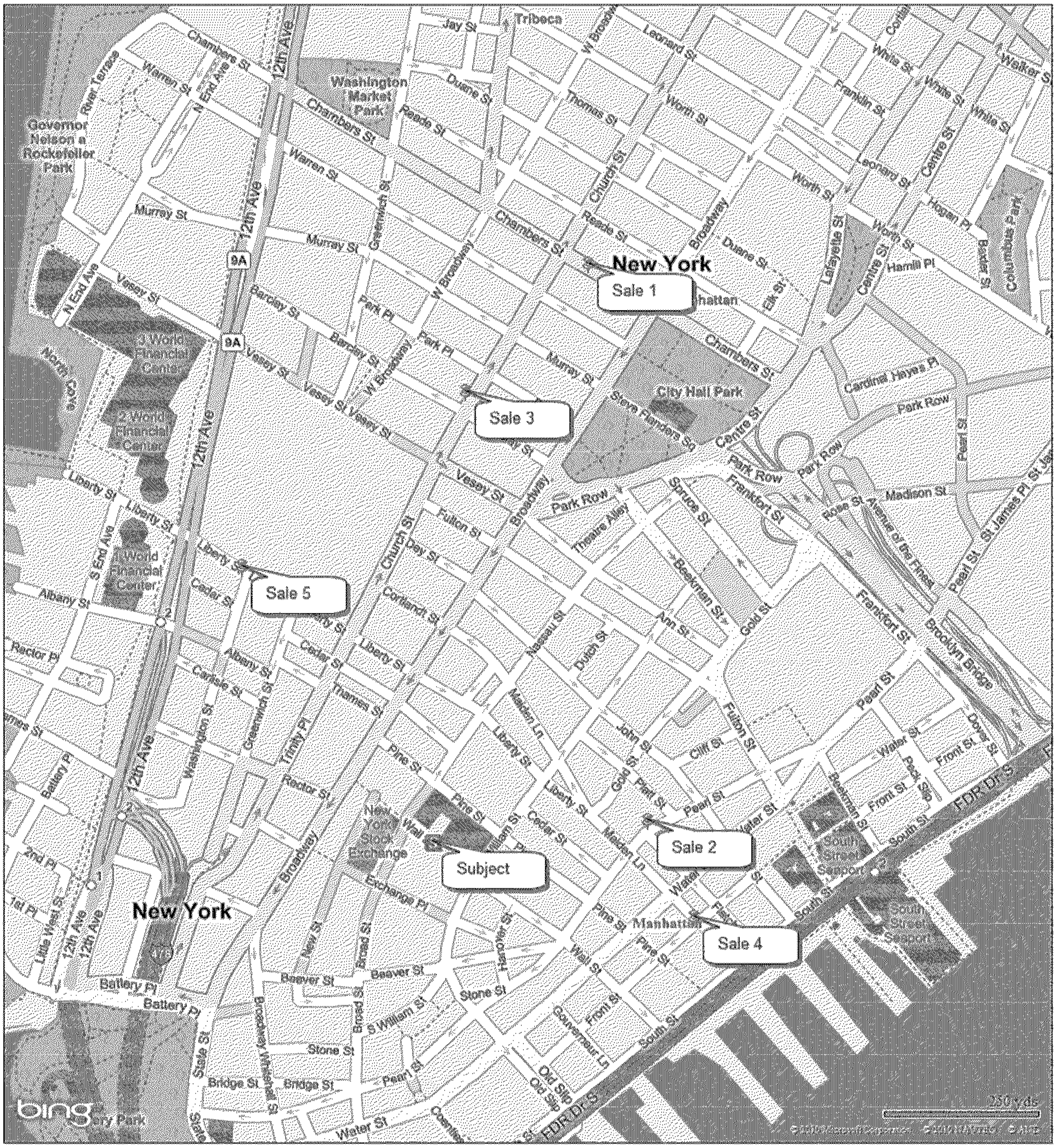
Our analysis assumes the subject's site developable area (FAR) is 900,000 square feet as stipulated in the ground lease.

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 to apply due to locational and physical similarities is $100.00 per FAR based on a highest and best use. 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 computed as follows:

LAND VALUATION CONCLUSION AS VACANT AND UNIMPROVED BASED ON THE RIGHT TO CONSTRUCT A 900,000 SQUARE FOOT BUIDLING AS STIPULATED IN THE GROUND LEASE	
	INDICATED VALUE
Maximum FAR:	900,000
Indicated Value per FAR:	X $100.00
Indicated Land Value:	$90,000,000
Rounded Land Value:	$90,000,000
Fee Simple Value per FAR:	$100.00

The ground lease states that the Landlord may require valuation of the land as of January 1, 2033 and each 25 years thereafter. The land is to be valued as vacant and unimproved but with the right to construct a 900,000 square foot building thereon. Rent becomes greater of (a) 6% of Value or (b) 85% of rent for the prior year. Our analysis assumes the subject's site developable area (FAR) is 900,000 square feet as stipulated in the ground lease, which does not represent a market value of the land.

LAND SALES MAP



VALUATION SERVICES

CUSHMAN & WAKEFIELD.

PRESENT VALUE OF GROUND LEASE (AS OF NOVEMBER 1, 2011)

In order to determine the reasonableness of the subject's ground lease rent, we have researched the market for recent leased fee (ground lease) sales. The leased fee sales were primarily used to extract internal rates of return and overall capitalization rates. **Since ground rent is typically determined based on a factor of land value, the comparable leased fee sales do not provide a reliable indication of ground rent for the subject property.**

Based upon ground lease transactions included within the Addenda section of this report (Comparable Leased Fee Land Sales), a wide range of overall capitalization rates from 0.93 to 3.89 percent is indicated for long term leased fee ground leases where rental payments are fixed for extended periods of time. Internal rates of return of 5.00 to 7.00 percent are indicated from the sales. In our opinion, a discount rate of 6.50 percent is reasonable for the subject property.

The ground lease payments currently total $1,500,000 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; or, (b) 85.0% of the then lease payments. 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.The complete analysis of ground rent payments over the remaining holding period may be found on the **following page**. The present value of these payments over the holding period may be summarized as follows:

VALUATION	
Discounted Value of the Cash Flow	$71,813,431
Discounted Value of the Reversion	$1,694,376
Value of the Ground Lessor's Position (Leased Fee Interest) Rounded	**$74,000,000**
As of November 1, 2011	

The present value of both annual rent and reversionary value was based upon a 6.50 percent discount rate. The reversionary sale price was based upon the estimated land value (subject to requirements of the ground lease) grown at 3 percent over the remaining 116-year lease term, less a 4.00 percent cost of reversion. Therefore, it is our opinion that the value of the ground lessor's position in the subject property, as of November 1, 2011, was $74,000,000.

DISCOUNTED CASH FLOW ANALYSIS

BEGINNING NOVEMBER 1, 2011

REMAINING TERM	DATE	FISCAL YEAR	BASE RENT	LAND VALUE (REVERSION)	NET CASH FLOW	DISCOUNT FACTOR 6.50%	PRESENT VALUE OF CASH FLOWS	COMPOSITION OF YIELD	ANNUAL CASH ON CASH RETURN
1	01/01/11	2011	$1,500,000		$1,500,000	0.881659	$ 1,322,489	1.80%	2.04%
2	01/01/12	2012	$1,500,000		$1,500,000	0.827849	$ 1,241,774	1.69%	2.04%
3	01/01/13	2013	$1,650,000		$1,650,000	0.777323	$ 1,282,583	1.74%	2.24%
4	01/01/14	2014	$1,650,000		$1,650,000	0.729881	$ 1,204,303	1.64%	2.24%
5	01/01/15	2015	$1,650,000		$1,650,000	0.685334	$ 1,130,801	1.54%	2.24%
6	01/01/16	2016	$1,650,000		$1,650,000	0.643506	$ 1,061,785	1.44%	2.24%
7	01/01/17	2017	$1,650,000		$1,650,000	0.604231	$ 996,981	1.36%	2.24%
8	01/01/18	2018	$1,815,000		$1,815,000	0.567353	$ 1,029,746	1.40%	2.47%
9	01/01/19	2019	$1,815,000		$1,815,000	0.532726	$ 966,898	1.32%	2.47%
10	01/01/20	2020	$2,315,000		$2,315,000	0.500212	$ 1,157,991	1.58%	3.15%
11	01/01/21	2021	$2,315,000		$2,315,000	0.469683	$ 1,087,316	1.48%	3.15%
12	01/01/22	2022	$2,315,000		$2,315,000	0.441017	$ 1,020,954	1.39%	3.15%
13	01/01/23	2023	$2,546,500		$2,546,500	0.414100	$ 1,054,506	1.43%	3.46%
14	01/01/24	2024	$2,546,500		$2,546,500	0.388827	$ 990,147	1.35%	3.46%
15	01/01/25	2025	$2,546,500		$2,546,500	0.365095	$ 929,715	1.26%	3.46%
16	01/01/26	2026	$2,546,500		$2,546,500	0.342813	$ 872,972	1.19%	3.46%
17	01/01/27	2027	$2,546,500		$2,546,500	0.321890	$ 819,692	1.12%	3.46%
18	01/01/28	2028	$2,801,150		$2,801,150	0.302244	$ 846,630	1.15%	3.81%
19	01/01/29	2029	$2,801,150		$2,801,150	0.283797	$ 794,958	1.08%	3.81%
20	01/01/30	2030	$2,801,150		$2,801,150	0.266476	$ 746,439	1.02%	3.81%
21	01/01/31	2031	$2,801,150		$2,801,150	0.250212	$ 700,882	0.95%	3.81%
22	01/01/32	2032	$2,801,150		$2,801,150	0.234941	$ 658,105	0.90%	3.81%
23	01/01/33	2033	$10,346,958		$10,346,958	0.220602	$ 2,282,560	3.11%	14.08%
24	01/01/34	2034	$10,346,958		$10,346,958	0.207138	$ 2,143,248	2.92%	14.08%
25	01/01/35	2035	$10,346,958		$10,346,958	0.194496	$ 2,012,440	2.74%	14.08%
26	01/01/36	2036	$10,346,958		$10,346,958	0.182625	$ 1,889,615	2.57%	14.08%
27	01/01/37	2037	$10,346,958		$10,346,958	0.171479	$ 1,774,286	2.41%	14.08%
28	01/01/38	2038	$10,346,958		$10,346,958	0.161013	$ 1,665,996	2.27%	14.08%
29	01/01/39	2039	$10,346,958		$10,346,958	0.151186	$ 1,564,316	2.13%	14.08%
30	01/01/40	2040	$10,346,958		$10,346,958	0.141959	$ 1,468,841	2.00%	14.08%
31	01/01/41	2041	$10,346,958		$10,346,958	0.133295	$ 1,379,194	1.88%	14.08%
32	01/01/42	2042	$10,346,958		$10,346,958	0.125159	$ 1,295,018	1.76%	14.08%
33	01/01/43	2043	$10,346,958		$10,346,958	0.117520	$ 1,215,979	1.65%	14.08%
34	01/01/44	2044	$10,346,958		$10,346,958	0.110348	$ 1,141,764	1.55%	14.08%
35	01/01/45	2045	$10,346,958		$10,346,958	0.103613	$ 1,072,079	1.46%	14.08%
36	01/01/46	2046	$10,346,958		$10,346,958	0.097289	$ 1,006,647	1.37%	14.08%
37	01/01/47	2047	$10,346,958		$10,346,958	0.091351	$ 945,208	1.29%	14.08%
38	01/01/48	2048	$10,346,958		$10,346,958	0.085776	$ 887,520	1.21%	14.08%
39	01/01/49	2049	$10,346,958		$10,346,958	0.080541	$ 833,352	1.13%	14.08%
40	01/01/50	2050	$10,346,958		$10,346,958	0.075625	$ 782,490	1.06%	14.08%

ASSUMPTIONS

Land Growth Rate		3.00%
2011 Value per FAR	$	100.00
LAND AREA		34,360
MPBB(FAR)		900,000
TOTAL LAND VALUE	$	90,000,000
ROUNDED,	$	90,000,000
2011 GROUND RENT		$1,500,000

VALUATION

Discount Rate		6.50%	
Cost of Sale at Reversion		4.00%	
Value of Cash Flow	$	71,813,431	97.69%
Value of the Reversion	$	1,694,376	2.31%
Total Value	$	73,507,807	100.00%
ESTIMATED MARKET VALUE		$	74,000,000
Per Unit		$	82.22
Overall Capitalization Rate (on NOI)			2.03%

DISCOUNTED CASH FLOW ANALYSIS
BEGINNING NOVEMBER 1, 2011

REMAINING TERM	DATE	FISCAL YEAR	BASE RENT	LAND VALUE (REVERSION)	NET CASH FLOW	DISCOUNT FACTOR 6.50%	PRESENT VALUE OF CASH FLOWS	COMPOSITION OF YIELD	ANNUAL CASH ON CASH RETURN
41	01/01/51	2051	$10,346,958		$10,346,958	0.071010	$ 734,732	1.00%	14.08%
42	01/01/52	2052	$10,346,958		$10,346,958	0.066676	$ 689,890	0.94%	14.08%
43	01/01/53	2053	$10,346,958		$10,346,958	0.062606	$ 647,784	0.88%	14.08%
44	01/01/54	2054	$10,346,958		$10,346,958	0.058785	$ 608,248	0.83%	14.08%
45	01/01/55	2055	$10,346,958		$10,346,958	0.055197	$ 571,124	0.78%	14.08%
46	01/01/56	2056	$10,346,958		$10,346,958	0.051828	$ 536,267	0.73%	14.08%
47	01/01/57	2057	$10,346,958		$10,346,958	0.048665	$ 503,537	0.69%	14.08%
48	01/01/58	2058	$10,346,958		$10,346,958	0.045695	$ 472,805	0.64%	14.08%
49	01/01/59	2059	$22,314,160		$22,314,160	0.042906	$ 957,415	1.30%	30.36%
50	01/01/60	2060	$22,314,160		$22,314,160	0.040287	$ 898,981	1.22%	30.36%
51	01/01/61	2061	$22,314,160		$22,314,160	0.037829	$ 844,114	1.15%	30.36%
52	01/01/62	2062	$22,314,160		$22,314,160	0.035520	$ 792,595	1.08%	30.36%
53	01/01/63	2063	$22,314,160		$22,314,160	0.033352	$ 744,221	1.01%	30.36%
54	01/01/64	2064	$22,314,160		$22,314,160	0.031316	$ 698,799	0.95%	30.36%
55	01/01/65	2065	$22,314,160		$22,314,160	0.029405	$ 656,149	0.89%	30.36%
56	01/01/66	2066	$22,314,160		$22,314,160	0.027610	$ 616,102	0.84%	30.36%
57	01/01/67	2067	$22,314,160		$22,314,160	0.025925	$ 578,500	0.79%	30.36%
58	01/01/68	2068	$22,314,160		$22,314,160	0.024343	$ 543,192	0.74%	30.36%
59	01/01/69	2069	$22,314,160		$22,314,160	0.022857	$ 510,040	0.69%	30.36%
60	01/01/70	2070	$22,314,160		$22,314,160	0.021462	$ 478,911	0.65%	30.36%
61	01/01/71	2071	$22,314,160		$22,314,160	0.020152	$ 449,681	0.61%	30.36%
62	01/01/72	2072	$22,314,160		$22,314,160	0.018922	$ 422,236	0.57%	30.36%
63	01/01/73	2073	$22,314,160		$22,314,160	0.017767	$ 396,466	0.54%	30.36%
64	01/01/74	2074	$22,314,160		$22,314,160	0.016683	$ 372,268	0.51%	30.36%
65	01/01/75	2075	$22,314,160		$22,314,160	0.015665	$ 349,548	0.48%	30.36%
66	01/01/76	2076	$22,314,160		$22,314,160	0.014709	$ 328,214	0.45%	30.36%
67	01/01/77	2077	$22,314,160		$22,314,160	0.013811	$ 308,182	0.42%	30.36%
68	01/01/78	2078	$22,314,160		$22,314,160	0.012968	$ 289,373	0.39%	30.36%
69	01/01/79	2079	$22,314,160		$22,314,160	0.012177	$ 271,711	0.37%	30.36%
70	01/01/80	2080	$22,314,160		$22,314,160	0.011433	$ 255,128	0.35%	30.36%
71	01/01/81	2081	$22,314,160		$22,314,160	0.010736	$ 239,557	0.33%	30.36%
72	01/01/82	2082	$22,314,160		$22,314,160	0.010080	$ 224,936	0.31%	30.36%
73	01/01/83	2083	$22,314,160		$22,314,160	0.009465	$ 211,208	0.29%	30.36%
74	01/01/84	2084	$46,720,896		$46,720,896	0.008887	$ 415,232	0.56%	63.56%
75	01/01/85	2085	$46,720,896		$46,720,896	0.008345	$ 389,889	0.53%	63.56%
76	01/01/86	2086	$46,720,896		$46,720,896	0.007836	$ 366,093	0.50%	63.56%
77	01/01/87	2087	$46,720,896		$46,720,896	0.007358	$ 343,749	0.47%	63.56%
78	01/01/88	2088	$46,720,896		$46,720,896	0.006908	$ 322,769	0.44%	63.56%
79	01/01/89	2089	$46,720,896		$46,720,896	0.006487	$ 303,070	0.41%	63.56%
80	01/01/90	2090	$46,720,896		$46,720,896	0.006091	$ 284,573	0.39%	63.56%

DISCOUNTED CASH FLOW ANALYSIS
BEGINNING NOVEMBER 1, 2011

REMAINING TERM	DATE	FISCAL YEAR	BASE RENT	LAND VALUE (REVERSION)	NET CASH FLOW	DISCOUNT FACTOR 6.50%	PRESENT VALUE OF CASH FLOWS		COMPOSITION OF YIELD	ANNUAL CASH ON CASH RETURN	
81	01/01/91	2091	$46,720,896		$46,720,896	0.005719	$	267,204	0.36%	63.56%	
82	01/01/92	2092	$46,720,896		$46,720,896	0.005370	$	250,896	0.34%	63.56%	
83	01/01/93	2093	$46,720,896		$46,720,896	0.005042	$	235,583	0.32%	63.56%	
84	01/01/94	2094	$46,720,896		$46,720,896	0.004735	$	221,205	0.30%	63.56%	
85	01/01/95	2095	$46,720,896		$46,720,896	0.004446	$	207,704	0.28%	63.56%	
86	01/01/96	2096	$46,720,896		$46,720,896	0.004174	$	195,027	0.27%	63.56%	
87	01/01/97	2097	$46,720,896		$46,720,896	0.003920	$	183,124	0.25%	63.56%	
88	01/01/98	2098	$46,720,896		$46,720,896	0.003680	$	171,948	0.23%	63.56%	
89	01/01/99	2099	$46,720,896		$46,720,896	0.003456	$	161,453	0.22%	63.56%	
90	01/01/00	2100	$46,720,896		$46,720,896	0.003245	$	151,599	0.21%	63.56%	
91	01/01/01	2101	$46,720,896		$46,720,896	0.003047	$	142,347	0.19%	63.56%	
92	01/01/02	2102	$46,720,896		$46,720,896	0.002861	$	133,659	0.18%	63.56%	
93	01/01/03	2103	$46,720,896		$46,720,896	0.002686	$	125,501	0.17%	63.56%	
94	01/01/04	2104	$46,720,896		$46,720,896	0.002522	$	117,842	0.16%	63.56%	
95	01/01/05	2105	$46,720,896		$46,720,896	0.002368	$	110,649	0.15%	63.56%	
96	01/01/06	2106	$46,720,896		$46,720,896	0.002224	$	103,896	0.14%	63.56%	
97	01/01/07	2107	$46,720,896		$46,720,896	0.002088	$	97,555	0.13%	63.56%	
98	01/01/08	2108	$46,720,896		$46,720,896	0.001961	$	91,601	0.12%	63.56%	
99	01/01/09	2109	$97,823,181		$97,823,181	0.001841	$	180,086	0.24%	133.08%	
100	01/01/10	2110	$97,823,181		$97,823,181	0.001729	$	169,095	0.23%	133.08%	
101	01/01/11	2111	$97,823,181		$97,823,181	0.001623	$	158,775	0.22%	133.08%	
102	01/01/12	2112	$97,823,181		$97,823,181	0.001524	$	149,084	0.20%	133.08%	
103	01/01/13	2113	$97,823,181		$97,823,181	0.001431	$	139,985	0.19%	133.08%	
104	01/01/14	2114	$97,823,181		$97,823,181	0.001344	$	131,442	0.18%	133.08%	
105	01/01/15	2115	$97,823,181		$97,823,181	0.001262	$	123,419	0.17%	133.08%	
106	01/01/16	2116	$97,823,181		$97,823,181	0.001185	$	115,887	0.16%	133.08%	
107	01/01/17	2117	$97,823,181		$97,823,181	0.001112	$	108,814	0.15%	133.08%	
108	01/01/18	2118	$97,823,181		$97,823,181	0.001044	$	102,173	0.14%	133.08%	
109	01/01/19	2119	$97,823,181		$97,823,181	0.000981	$	95,937	0.13%	133.08%	
110	01/01/20	2120	$97,823,181		$97,823,181	0.000921	$	90,081	0.12%	133.08%	
111	01/01/21	2121	$97,823,181		$97,823,181	0.000865	$	84,584	0.12%	133.08%	
112	01/01/22	2122	$97,823,181		$97,823,181	0.000812	$	79,421	0.11%	133.08%	
113	01/01/23	2123	$97,823,181		$97,823,181	0.000762	$	74,574	0.10%	133.08%	
114	01/01/24	2124	$97,823,181		$97,823,181	0.000716	$	70,022	0.10%	133.08%	
115	01/01/25	2125	$97,823,181		$97,823,181	0.000672	$	65,749	0.09%	133.08%	
116	01/01/26	2126	$97,823,181	$2,586,989,009	$2,684,812,190	0.000631	$	1,694,376	2.31%	3652.42%	
							$	73,507,807	100.00%	74.95%	Average

VALUATION SERVICES

CUSHMAN & WAKEFIELD

PRESENT VALUE OF GROUND LEASE (AS OF NOVEMBER 1, 2014)

In order to estimate the prospective market value of the leasehold position, as of November 1, 2014, we have first to determine the of the prospective market value of the Leased Fee Interest, as of November 1, 2014. All of variables are the same as the "As Is" scenario, except we have forecasted the 2014 market value of the land. The market value of land as of November 1, 2014, as stipulated in the ground lease, was based on the market value of land as of November 1, 2011 increased by 3 percent per annum to November 1, 2014 the prospective date of value. Therefore, it is our opinion that the value of market value of the land, as of November 1, 2011, was November 1, 2014 will be $98,000,000

The ground lease payments in 2014 will be $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; or, (b) 85.0% of the then lease payments. 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.The complete analysis of ground rent payments over the remaining holding period may be found on the **following page**. The present value of these payments over the holding period may be summarized as follows:

VALUATION	
Discounted Value of the Cash Flow	$82,100,211
Discounted Value of the Reversion	$2,046,721
Value of the Ground Lessor's Position (Leased Fee Interest) Rounded	**$84,000,000**
As of November 1, 2014	

The present value of both annual rent and reversionary value was based upon a 6.50 percent discount rate. The reversionary sale price was based upon the estimated land value (subject to requirements of the ground lease) grown at 3 percent over the remaining 112-year lease term, less a 4.00 percent cost of reversion. Therefore, it is our opinion that the value of the ground lessor's position in the subject property, as of November 1, 2011, was $84,000,000.

DISCOUNTED CASH FLOW ANALYSIS
BEGINNING NOVEMBER 1, 2014

REMAINING TERM	DATE	FISCAL YEAR	BASE RENT	LAND VALUE (REVERSION)	NET CASH FLOW	DISCOUNT FACTOR 6.50%	PRESENT VALUE OF CASH FLOWS	COMPOSITION OF YIELD	ANNUAL CASH ON CASH RETURN
1	01/01/14	2014	$1,650,000		$1,650,000	0.881659	$ 1,454,738	1.73%	1.96%
2	01/01/15	2015	$1,650,000		$1,650,000	0.827849	$ 1,365,951	1.62%	1.96%
3	01/01/16	2016	$1,650,000		$1,650,000	0.777323	$ 1,282,583	1.52%	1.96%
4	01/01/17	2017	$1,650,000		$1,650,000	0.729881	$ 1,204,303	1.43%	1.96%
5	01/01/18	2018	$1,815,000		$1,815,000	0.685334	$ 1,243,881	1.48%	2.16%
6	01/01/19	2019	$1,815,000		$1,815,000	0.643506	$ 1,167,964	1.39%	2.16%
7	01/01/20	2020	$2,315,000		$2,315,000	0.604231	$ 1,398,795	1.66%	2.75%
8	01/01/21	2021	$2,315,000		$2,315,000	0.567353	$ 1,313,423	1.56%	2.75%
9	01/01/22	2022	$2,315,000		$2,315,000	0.532726	$ 1,233,261	1.47%	2.75%
10	01/01/23	2023	$2,546,500		$2,546,500	0.500212	$ 1,273,790	1.51%	3.03%
11	01/01/24	2024	$2,546,500		$2,546,500	0.469683	$ 1,196,047	1.42%	3.03%
12	01/01/25	2025	$2,546,500		$2,546,500	0.441017	$ 1,123,049	1.33%	3.03%
13	01/01/26	2026	$2,546,500		$2,546,500	0.414100	$ 1,054,506	1.25%	3.03%
14	01/01/27	2027	$2,546,500		$2,546,500	0.388827	$ 990,147	1.18%	3.03%
15	01/01/28	2028	$2,801,150		$2,801,150	0.365095	$ 1,022,687	1.22%	3.33%
16	01/01/29	2029	$2,801,150		$2,801,150	0.342813	$ 960,269	1.14%	3.33%
17	01/01/30	2030	$2,801,150		$2,801,150	0.321890	$ 901,661	1.07%	3.33%
18	01/01/31	2031	$2,801,150		$2,801,150	0.302244	$ 846,630	1.01%	3.33%
19	01/01/32	2032	$2,801,150		$2,801,150	0.283797	$ 794,958	0.94%	3.33%
20	01/01/33	2033	$10,346,958		$10,346,958	0.266476	$ 2,757,217	3.28%	12.30%
21	01/01/34	2034	$10,346,958		$10,346,958	0.250212	$ 2,588,936	3.08%	12.30%
22	01/01/35	2035	$10,346,958		$10,346,958	0.234941	$ 2,430,926	2.89%	12.30%
23	01/01/36	2036	$10,346,958		$10,346,958	0.220602	$ 2,282,560	2.71%	12.30%
24	01/01/37	2037	$10,346,958		$10,346,958	0.207138	$ 2,143,248	2.55%	12.30%
25	01/01/38	2038	$10,346,958		$10,346,958	0.194496	$ 2,012,440	2.39%	12.30%
26	01/01/39	2039	$10,346,958		$10,346,958	0.182625	$ 1,889,615	2.25%	12.30%
27	01/01/40	2040	$10,346,958		$10,346,958	0.171479	$ 1,774,286	2.11%	12.30%
28	01/01/41	2041	$10,346,958		$10,346,958	0.161013	$ 1,665,996	1.98%	12.30%
29	01/01/42	2042	$10,346,958		$10,346,958	0.151186	$ 1,564,316	1.86%	12.30%
30	01/01/43	2043	$10,346,958		$10,346,958	0.141959	$ 1,468,841	1.75%	12.30%
31	01/01/44	2044	$10,346,958		$10,346,958	0.133295	$ 1,379,194	1.64%	12.30%
32	01/01/45	2045	$10,346,958		$10,346,958	0.125159	$ 1,295,018	1.54%	12.30%
33	01/01/46	2046	$10,346,958		$10,346,958	0.117520	$ 1,215,979	1.45%	12.30%
34	01/01/47	2047	$10,346,958		$10,346,958	0.110348	$ 1,141,764	1.36%	12.30%
35	01/01/48	2048	$10,346,958		$10,346,958	0.103613	$ 1,072,079	1.27%	12.30%
36	01/01/49	2049	$10,346,958		$10,346,958	0.097289	$ 1,006,647	1.20%	12.30%
37	01/01/50	2050	$10,346,958		$10,346,958	0.091351	$ 945,208	1.12%	12.30%

ASSUMPTIONS

Land Growth Rate		3.00%
2011 Value per FAR	$	100.00
LAND AREA		34,360
MPBB(FAR)		900,000
TOTAL LAND VALUE (2014)	$	98,345,430
ROUNDED,	$	98,000,000
2014 GROUND RENT		$1,650,000

VALUATION

Discount Rate	6.50%		
Cost of Sale at Reversion	4.00%		
Value of Cash Flow	$	82,100,211	97.57%
Value of the Reversion	$	2,046,721	2.43%
Total Value	$	84,146,932	100.00%
ESTIMATED MARKET VALUE		$	84,000,000
Per Unit		$	93.33
Overall Capitalization Rate (on NOI)			1.96%

CUSHMAN & WAKEFIELD®

CONFIDENTIAL

C&W_0023253

DISCOUNTED CASH FLOW ANALYSIS
BEGINNING NOVEMBER 1, 2014

REMAINING TERM	DATE	FISCAL YEAR	BASE RENT	LAND VALUE (REVERSION)	NET CASH FLOW	DISCOUNT FACTOR 6.50%	PRESENT VALUE OF CASH FLOWS	COMPOSITION OF YIELD	ANNUAL CASH ON CASH RETURN
38	01/01/51	2051	$10,346,958		$10,346,958	0.085776	$ 887,520	1.05%	12.30%
39	01/01/52	2052	$10,346,958		$10,346,958	0.080541	$ 833,352	0.99%	12.30%
40	01/01/53	2053	$10,346,958		$10,346,958	0.075625	$ 782,490	0.93%	12.30%
41	01/01/54	2054	$10,346,958		$10,346,958	0.071010	$ 734,732	0.87%	12.30%
42	01/01/55	2055	$10,346,958		$10,346,958	0.066676	$ 689,890	0.82%	12.30%
43	01/01/56	2056	$10,346,958		$10,346,958	0.062606	$ 647,784	0.77%	12.30%
44	01/01/57	2057	$10,346,958		$10,346,958	0.058785	$ 608,248	0.72%	12.30%
45	01/01/58	2058	$10,346,958		$10,346,958	0.055197	$ 571,124	0.68%	12.30%
46	01/01/59	2059	$22,314,160		$22,314,160	0.051828	$ 1,156,509	1.37%	26.52%
47	01/01/60	2060	$22,314,160		$22,314,160	0.048665	$ 1,085,924	1.29%	26.52%
48	01/01/61	2061	$22,314,160		$22,314,160	0.045695	$ 1,019,647	1.21%	26.52%
49	01/01/62	2062	$22,314,160		$22,314,160	0.042906	$ 957,415	1.14%	26.52%
50	01/01/63	2063	$22,314,160		$22,314,160	0.040287	$ 898,981	1.07%	26.52%
51	01/01/64	2064	$22,314,160		$22,314,160	0.037829	$ 844,114	1.00%	26.52%
52	01/01/65	2065	$22,314,160		$22,314,160	0.035520	$ 792,595	0.94%	26.52%
53	01/01/66	2066	$22,314,160		$22,314,160	0.033352	$ 744,221	0.88%	26.52%
54	01/01/67	2067	$22,314,160		$22,314,160	0.031316	$ 698,799	0.83%	26.52%
55	01/01/68	2068	$22,314,160		$22,314,160	0.029405	$ 656,149	0.78%	26.52%
56	01/01/69	2069	$22,314,160		$22,314,160	0.027610	$ 616,102	0.73%	26.52%
57	01/01/70	2070	$22,314,160		$22,314,160	0.025925	$ 578,500	0.69%	26.52%
58	01/01/71	2071	$22,314,160		$22,314,160	0.024343	$ 543,192	0.65%	26.52%
59	01/01/72	2072	$22,314,160		$22,314,160	0.022857	$ 510,040	0.61%	26.52%
60	01/01/73	2073	$22,314,160		$22,314,160	0.021462	$ 478,911	0.57%	26.52%
61	01/01/74	2074	$22,314,160		$22,314,160	0.020152	$ 449,681	0.53%	26.52%
62	01/01/75	2075	$22,314,160		$22,314,160	0.018922	$ 422,236	0.50%	26.52%
63	01/01/76	2076	$22,314,160		$22,314,160	0.017767	$ 396,466	0.47%	26.52%
64	01/01/77	2077	$22,314,160		$22,314,160	0.016683	$ 372,268	0.44%	26.52%
65	01/01/78	2078	$22,314,160		$22,314,160	0.015665	$ 349,548	0.42%	26.52%
66	01/01/79	2079	$22,314,160		$22,314,160	0.014709	$ 328,214	0.39%	26.52%
67	01/01/80	2080	$22,314,160		$22,314,160	0.013811	$ 308,182	0.37%	26.52%
68	01/01/81	2081	$22,314,160		$22,314,160	0.012968	$ 289,373	0.34%	26.52%
69	01/01/82	2082	$22,314,160		$22,314,160	0.012177	$ 271,711	0.32%	26.52%
70	01/01/83	2083	$22,314,160		$22,314,160	0.011433	$ 255,128	0.30%	26.52%
71	01/01/84	2084	$46,720,896		$46,720,896	0.010736	$ 501,579	0.60%	55.52%
72	01/01/85	2085	$46,720,896		$46,720,896	0.010080	$ 470,966	0.56%	55.52%
73	01/01/86	2086	$46,720,896		$46,720,896	0.009465	$ 442,222	0.53%	55.52%
74	01/01/87	2087	$46,720,896		$46,720,896	0.008887	$ 415,232	0.49%	55.52%
75	01/01/88	2088	$46,720,896		$46,720,896	0.008345	$ 389,889	0.46%	55.52%
76	01/01/89	2089	$46,720,896		$46,720,896	0.007836	$ 366,093	0.44%	55.52%
77	01/01/90	2090	$46,720,896		$46,720,896	0.007358	$ 343,749	0.41%	55.52%

DISCOUNTED CASH FLOW ANALYSIS
BEGINNING NOVEMBER 1, 2014

REMAINING TERM	DATE	FISCAL YEAR	BASE RENT	LAND VALUE (REVERSION)	NET CASH FLOW	DISCOUNT FACTOR 6.50%		PRESENT VALUE OF CASH FLOWS	COMPOSITION OF YIELD	ANNUAL CASH ON CASH RETURN	
78	01/01/91	2091	$46,720,896		$46,720,896	0.006908	$	322,769	0.38%	55.52%	
79	01/01/92	2092	$46,720,896		$46,720,896	0.006487	$	303,070	0.36%	55.52%	
80	01/01/93	2093	$46,720,896		$46,720,896	0.006091	$	284,573	0.34%	55.52%	
81	01/01/94	2094	$46,720,896		$46,720,896	0.005719	$	267,204	0.32%	55.52%	
82	01/01/95	2095	$46,720,896		$46,720,896	0.005370	$	250,896	0.30%	55.52%	
83	01/01/96	2096	$46,720,896		$46,720,896	0.005042	$	235,583	0.28%	55.52%	
84	01/01/97	2097	$46,720,896		$46,720,896	0.004735	$	221,205	0.26%	55.52%	
85	01/01/98	2098	$46,720,896		$46,720,896	0.004446	$	207,704	0.25%	55.52%	
86	01/01/99	2099	$46,720,896		$46,720,896	0.004174	$	195,027	0.23%	55.52%	
87	01/01/00	2100	$46,720,896		$46,720,896	0.003920	$	183,124	0.22%	55.52%	
88	01/01/01	2101	$46,720,896		$46,720,896	0.003680	$	171,948	0.20%	55.52%	
89	01/01/02	2102	$46,720,896		$46,720,896	0.003456	$	161,453	0.19%	55.52%	
90	01/01/03	2103	$46,720,896		$46,720,896	0.003245	$	151,599	0.18%	55.52%	
91	01/01/04	2104	$46,720,896		$46,720,896	0.003047	$	142,347	0.17%	55.52%	
92	01/01/05	2105	$46,720,896		$46,720,896	0.002861	$	133,659	0.16%	55.52%	
93	01/01/06	2106	$46,720,896		$46,720,896	0.002686	$	125,501	0.15%	55.52%	
94	01/01/07	2107	$46,720,896		$46,720,896	0.002522	$	117,842	0.14%	55.52%	
95	01/01/08	2108	$46,720,896		$46,720,896	0.002368	$	110,649	0.13%	55.52%	
96	01/01/09	2109	$97,823,181		$97,823,181	0.002224	$	217,535	0.26%	116.25%	
97	01/01/10	2110	$97,823,181		$97,823,181	0.002088	$	204,259	0.24%	116.25%	
98	01/01/11	2111	$97,823,181		$97,823,181	0.001961	$	191,792	0.23%	116.25%	
99	01/01/12	2112	$97,823,181		$97,823,181	0.001841	$	180,086	0.21%	116.25%	
100	01/01/13	2113	$97,823,181		$97,823,181	0.001729	$	169,095	0.20%	116.25%	
101	01/01/14	2114	$97,823,181		$97,823,181	0.001623	$	158,775	0.19%	116.25%	
102	01/01/15	2115	$97,823,181		$97,823,181	0.001524	$	149,084	0.18%	116.25%	
103	01/01/16	2116	$97,823,181		$97,823,181	0.001431	$	139,985	0.17%	116.25%	
104	01/01/17	2117	$97,823,181		$97,823,181	0.001344	$	131,442	0.16%	116.25%	
105	01/01/18	2118	$97,823,181		$97,823,181	0.001262	$	123,419	0.15%	116.25%	
106	01/01/19	2119	$97,823,181		$97,823,181	0.001185	$	115,887	0.14%	116.25%	
107	01/01/20	2120	$97,823,181		$97,823,181	0.001112	$	108,814	0.13%	116.25%	
108	01/01/21	2121	$97,823,181		$97,823,181	0.001044	$	102,173	0.12%	116.25%	
109	01/01/22	2122	$97,823,181		$97,823,181	0.000981	$	95,937	0.11%	116.25%	
110	01/01/23	2123	$97,823,181		$97,823,181	0.000921	$	90,081	0.11%	116.25%	
111	01/01/24	2124	$97,823,181		$97,823,181	0.000865	$	84,584	0.10%	116.25%	
112	01/01/25	2125	$97,823,181		$97,823,181	0.000812	$	79,421	0.09%	116.25%	
113	01/01/26	2126	$97,823,181	$2,586,989,009	$2,684,812,190	0.000762	$	2,046,721	2.43%	3190.62%	
							$	84,146,932	100.00%	67.17%	Average

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, effective gross income multiplier, or net income per square foot;
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
- An effective gross income multiplier analysis

It should be noted that we have analyzed the subject property based on the remeasured net rentable area of 1,181,691 square feet. The comparable sales in this appraisal were also analyzed based on their remeasured net rentable areas.

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

	Physical Data					Sale Data			Financial Data					
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	EGIM	Financing
1	**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 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 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 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.												
2	**195 Broadway** B/w Dey & Fulton Streets Downtown, Manhattan	36,775	996,108	1913/1985	29	Oct-11	GE Capital/ Beacon Capital	$285,000,000 **Leasehold 100% Interest**	$286.11	$17.57	6.14%	88%	8.91	Cash
	Comments:	Sale of landmarked Class A office building to Beacon Capital, who acquired a majority interest in the property from GE Capital at a purchase price that equals $285 million based on 100 percent interest. In 2005, a joint venture of GE Asset Management and L&L Acquisitions acquired the property for a majority interest for $270 million. L&L Acquisitions is retaining its minority interest, the leasing and the 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. Currently, L&L Acquisitions had filed for permits to the Landmarks Preservation Commission to add retail space to the lobby and renovate the building.												
3	**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 / IGI-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 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.												
4	**72 Wall Street** N/W/C of Pearl Street Downtown, Manhattan	22,014	322,968	1925	13	Apr-11 **Contract**	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 is selling 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.												

SUMMARY OF IMPROVED SALES (CONTINUED)

	Physical Data					Sale Data			Financial Data					
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	EGIM	Financing
5	**375 Pearl Street** S/W/C of St. James Place Downtown, Manhattan	58,193	1,150,000	1975	32	Feb-11	M&T Bank Corporation / Youngwoo & Associates JV c/o Sabey Datacenter Properties (SDCP)	$122,200,000 Condominium	$106.26	N/A	N/A	0%	N/A	Cash
	Comments:	Sale of a vacant office building located in the City Hall office submarket of Downtown Manhattan. The building was built in 1975 by Verizon as a switching control center. In December 2007, Verizon remained as a condominium owner of floors 8, 9 and 10, and sold the vacant building (principal office condominium) to Taconic Investment Partners for $172.5 million. The redevelopment plan called for a complete re-skinning of the building with a glass facade for conversion to a conventional office building at an estimated cost of an additional $250 million. The redevelopment plan was abandoned when the mortgage was defaulted on and M&T Bank accepted a deed in lieu from Taconic Investors in November 2010. The property is under contract to Sabey Datacenter Properties (SDCP) for $122.2 million. The buyer intends to invest an additional $90.2 million in capital improvements and convert the building into an office building containing over 800,000 square feet of telecom data center space on floors 2 through 15, and over 300,000 square feet of office space on the upper floors.												
6	**100 Broadway** S/E/C of Pine Street Downtown, Manhattan	14,950	396,617	1922/1998	24	Oct-10	Hiro Realty / Madison Capital	$80,000,000 **Allocation**	$201.71	$12.24	6.07%	81%	8.28	Cash
	Comments:	Sale of a Class A minus office building located in Downtown Manhattan. Madison Capital took over the deeds in lieu of foreclosure and recapitalized at a price totaling $205 million which included 100 Broadway and 655 Fifth Avenue, a 49,373 square foot retail and office building entirely leased by Salvatore Ferragamo through April 2028 at a net rent of $7,895,591 (121 per square foot). The allocated purchase price was $80 million for 100 Broadway and $125 million for 655 Fifth Avenue. The property is currently 81 percent leased to eleven office tenants and one retail tenant. The 6th, 7th, 10th and 11th floors are vacant and available for lease. The property's office rents average approximately $34 per square foot. Borders, Inc. leases three levels in the building consisting of the ground floor (10,854± square feet), mezzanine level (3,029± square feet) and second floor (13,829± square feet). The lease with Borders, Inc. expires in June 2018. Their current base rent is $1,661,912 or $59.97 per square foot for three levels. Over 70 percent of the property's leases expire over the next 10 years. The current overall capitalization rate is 6.07 percent in year one and averages to 7.3 percent over the first three years.												
7	**4 New York Plaza** btw. Water and South Streets Downtown, Manhattan	54,023	1,085,272	1969	22	Dec-09	JPMorgan Chase Bank / Harbor Group International, LLC	$107,000,000	$98.59	$4.15	4.21%	75%	4.28	Cash
	Comments:	Sale of a modern 22-story Class A office property built in 1969. The property is fully occupied by JPMorgan Chase Bank as back office space. JPMorgan Chase Bank will lease-back the floor 3 and floors 8 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. JPMorgan Chase Bank will give-back the balance of the building on floor 2 and floors 4 through 7 totaling 267,847 square feet on or before March 31, 2010, which will then become available for lease. The current overall capitalization rate is 4.21 percent in year one and increases to 9.3 percent by year five.												
STATISTICS														
LOW		12,422	165,000	1924					$98.59	$4.15	4.21%	0.00%		
HIGH		58,193	1,853,994	1975					$301.52	$19.09	6.74%	90.00%		
MEAN		35,427	852,851	1948					$202.83	$14.42	5.90%	59.99%		
MEDIAN		36,775	996,108	1947					$201.71	$17.57	6.14%	80.62%		

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. Each comparable was adjusted accordingly.

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 December 2009 and October 2011. Comparable Sales No. 4 is under contract of sale. By the end of September 2008, an international crisis had emerged as more banks failed and global markets witnessed sharp reductions in stock and commodity values. This crisis affected real estate values. As of the fourth quarter of 2009, the market has leveled off as the confidence among investors has increased. As a result, we have made a market condition adjustment of three percent adjustment per annum.

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 sale is located at 120 Broadway Avenue between Pine and Cedar Streets in the Financial East submarket of Downtown Manhattan. This landmarked class A minus office building sold in July 2011 to UBS Realty Investors Fund Trust, who acquired 65 percent interest in the property from CalSTRS at a purchase price that equals $525 million based on 100 percent interest. Currently, over 25 percent of the property is leased to 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 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 fixed ground rent of $850,000 per annum. The current overall capitalization rate is 6.74 percent. The sales price equates to $283.17 per square foot.

In comparison with the subject property, an upward adjustment was required for property rights conveyed. An upward adjustment was required for market conditions. A downward adjustment was required for quality and appeal. No other adjustments were required. The adjusted price is $308.43 per square foot.

Comparable Sale No. 2
This sale is located at 195 Broadway between Dey and Fulton streets. The landmarked Class A office building sold in October 2011 to Beacon Capital, who is acquired a majority interest in the property from GE Capital at a purchase price that equals $285 million based on 100 percent interest. This 29-story building contains 996,106 square feet of rentable area. In 2005, a joint venture of GE Asset Management and L&L Acquisitions acquired the property for a majority interest for $270 million. L&L Acquisitions is retaining its minority interest, the leasing and the 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. Currently, L&L Acquisitions had filed for permits to the Landmarks Preservation Commission to add retail space to the lobby and renovate the building. The current overall capitalization rate is 6.14 percent in year one. The sales price equates to $286.11 per square foot.

In comparison with the subject property, an upward adjustment was required for market conditions. No other adjustments were required. The adjusted price is $312.61 per square foot.

COMPARABLE SALE NO. 3

This sale is located at 93 Worth Street a/k/a 335 Broadway at the northwest corner of Broadway. This property is sold in October 2011 from Worldwide Holdings, LLC for a purchase price of $49,750,000. This is a Class B office building located in the City Hall office submarket of Downtown Manhattan. This 13-story office building contains 165,000 square feet of net rentable area and was 86 percent leased at the time of sale. Approximately 75 percent of the property is leased to 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. The current sales price equates to $301.52 per square foot.

In comparison with the subject property, 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 $312.97 per square foot.

COMPARABLE SALE NO. 4

This sale is located at 72 Wall Street on the northwest corner of Pearl Street. This property is currently under contract of sale to SouFun Holdings from Youngwoo & Associates for a reported purchase price of $46,000,000. This is the sale of a Class B office building located in Downtown Manhattan. The buyers intend to hold the property for future conversion to a mixed-use residential and retail building. This property previously sold in May 2009 from American International Group to Youngwoo & Associates for a purchase price of $35,000,000. The property was the New York headquarters of American International Group (AIG) who sold the building, along with 70 Pine Street, to Youngwoo & Associates. The current sales price equates to $142.43 per square foot.

In comparison with the subject property, 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. An upward adjustment was required for occupancy. An upward adjustment was required for economics. No other adjustments were required. The adjusted price is $323.41 per square foot.

COMPARABLE SALE NO. 5

This sale is located at 375 Pearl Street at the southwest corner of St. James Place. This property is currently under contract of sale to Youngwoo & Associates JV c/o Sabey Datacenter Properties (SDCP) from M&T Bank Corporation for a reported purchase price of $122,200,000. This is a vacant office building containing 1,150,000 square feet of net rentable area located in the City Hall office submarket of Downtown Manhattan. The building was built in 1975 by Verizon as a switching control center. In December 2007, Verizon remained as a condominium owner of floors 8, 9 and 10, and sold the vacant building (principal office condominium) to Taconic Investment Partners for $172.5 million. The redevelopment plan called for a complete re-skinning of the building with a glass facade for conversion to a conventional office building at an estimated cost of an additional $250 million. The redevelopment plan was abandoned when the mortgage was defaulted on and M&T Bank accepted a deed in lieu from Taconic Investors in November 2010. The property is under contract to Sabey Datacenter Properties (SDCP) for $122.2 million. The buyer intends to invest an additional $90.2 million in capital improvements and convert the building into an office building containing over 800,000 square feet of telecom data center space on floors 2 through 15, and over 300,000 square feet of office space on the upper floors. The current sales price equates to $106.26 per square foot.

In comparison with the subject property, an upward adjustment was required for market conditions. An upward adjustment was required for location. An upward adjustment was required for age and condition. An upward adjustment was required for quality and appeal. An upward adjustment was required for occupancy. An upward adjustment was required for economics. No other adjustments were required. The adjusted price is $277.81 per square foot.

COMPARABLE SALE NO. 6

This sale is located at 100 Broadway on the southeast corner of Pine Street. This property sold in October 2010 from Hiro Realty to Madison Capital for a purchase price of $80,000,000. Madison Capital took over the deeds in lieu of foreclosure and recapitalized at a price totaling $205 million which included 100 Broadway and 655 Fifth Avenue, a 49,373 square foot retail and office building entirely leased by Salvatore Ferragamo through April 2028 at a net rent of $7,895,591 (121 per square foot). The allocated purchase price was $80 million for 100 Broadway and $125 million for 655 Fifth Avenue. The property is currently 81 percent leased to eleven office tenants and one retail tenant. The 6th, 7th, 10th and 11th floors are vacant and available for lease. The property's office rents average approximately $34 per square foot. Borders, Inc. leases three levels in the building consisting of the ground floor (10,854± square feet), mezzanine level (3,029± square feet) and second floor (13,829± square feet). The lease with Borders, Inc. expires in June 2018. Their current base rent is $1,661,912 or $59.97 per square foot for three levels. Over 70 percent of the property's leases expire over the next 10 years. The current overall capitalization rate is 6.07 percent in year one and averages to 7.3 percent over the first three years. The current sales price equates to $201.71 per square foot.

In comparison with the subject property, 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 $317.01 per square foot.

COMPARABLE SALE NO. 7

This is the sale of 4 New York Plaza, located at 115 Broad Street on the southeast corner of Broad Street. This property sold in December 2009 from JPMorgan Chase Bank, N.A. to Harbor Group International, LLC for a purchase price of $107,000,000. This is the sale of a modern 22-story Class A office property built in 1969. The property is fully occupied by JPMorgan Chase Bank, N.A. as back office space. JPMorgan Chase Bank, N.A. will lease-back the floor 3 and floors 8 through 22 at a gross rent of $27.50 per square foot with subsequent increases for a 15-year lease with three, 8-year renewal options at 95 percent of fair market rent. JPMorgan Chase Bank, N.A. will give-back the balance of the building on floor 2 and floors 4 through 7 totaling 267,847± square feet on or before March 31, 2010, which will then become available for lease. The current overall capitalization rate is 4.21 percent in year one and increases to 9.3 percent by year five. The current sales price equates to $98.59 per square foot.

In comparison with the subject property, 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. An upward adjustment was required for occupancy. An upward adjustment was required for economics. No other adjustments were required. The adjusted price is $294.18 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 $98.59 to $301.52 per square foot. The mean price per square foot exhibited by the comparables was calculated to be $202.83 per square foot and the median price per square foot was $201.71.

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	Financing & Conditions of Sale	Exp. After Purchase	# Months/ Market Conditions *	Subtotal	Location	Size	Age & Condition	Quality & Appeal	Occupancy	Economics	Utility	Other	Adj. $/Sqft	Overall
1	**$283.17**	Leasehold	Arms-Length	None	40	**$342.70**	Similar	Similar	Similar	Superior	Similar	Similar	Similar	Similar	**$308.43**	Superior
	7/11	10.0%	0.0%	0.0%	10.0%	21.0%	0.0%	0.0%	0.0%	-10.0%	0.0%	0.0%	0.0%	0.0%	-10.0%	
2	**$286.11**	Lease Fee/Mkt.	Arms-Length	None	37	**$312.61**	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	**$312.61**	Similar
	10/11	0.0%	0.0%	0.0%	9.3%	9.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
3	**$301.52**	Lease Fee/Mkt.	Arms-Length	None	37	**$329.44**	Similar	Smaller	Inferior	Inferior	Similar	Similar	Similar	Similar	**$312.97**	Superior
	10/11	0.0%	0.0%	0.0%	9.3%	9.3%	0.0%	-20.0%	10.0%	5.0%	0.0%	0.0%	0.0%	0.0%	-5.0%	
4	**$142.43**	Lease Fee/Mkt.	Arms-Length	None	43	**$157.76**	Similar	Smaller	Inferior	Inferior	Inferior	Inferior	Similar	Similar	**$323.41**	Inferior
	4/11	0.0%	0.0%	0.0%	10.8%	10.8%	0.0%	-10.0%	30.0%	25.0%	35.0%	25.0%	0.0%	0.0%	105.0%	
5	**$106.26**	Lease Fee/Mkt.	Arms-Length	None	45	**$118.22**	Inferior	Similar	Inferior	Inferior	Inferior	Inferior	Similar	Similar	**$277.81**	Inferior
	2/11	0.0%	0.0%	0.0%	11.3%	11.3%	10.0%	0.0%	30.0%	35.0%	35.0%	25.0%	0.0%	0.0%	135.0%	
6	**$201.71**	Lease Fee/Mkt.	Arms-Length	None	49	**$226.44**	Similar	Smaller	Inferior	Inferior	Similar	Similar	Similar	Similar	**$317.01**	Inferior
	10/10	0.0%	0.0%	0.0%	12.3%	12.3%	0.0%	-10.0%	25.0%	25.0%	0.0%	0.0%	0.0%	0.0%	40.0%	
7	**$98.59**	Lease Fee/Mkt.	Arms-Length	None	59	**$113.15**	Similar	Similar	Inferior	Inferior	Inferior	Inferior	Similar	Similar	**$294.18**	Inferior
	12/09	0.0%	0.0%	0.0%	14.8%	14.8%	0.0%	0.0%	45.0%	45.0%	25.0%	45.0%	0.0%	0.0%	160.0%	

SUMMARY

Price Range	Unadj. $/SF	Adj. $/SF
Low	$98.59	$277.81
High	$301.52	$323.41
Average	$202.83	$306.63

Net Adjustment	
Low	-10.0%
High	160.0%
Average	60.7%

CONCLUSION

Indicated Value per Square Foot NRA	$300.00
Net Rentable Area in Square Feet	x 1,181,691
Indicated Value	$354,507,300
Rounded	$355,000,000
Per square foot	$300.42

***Market Conditions Adjustment**

Date of Value (for adjustment calculations): November 1, 2014

Annual Adjustment to	November 1, 2014	0.00%
Annual Adjustment to	August 1, 2013	0.00%
Annual Adjustment to	November 1, 2014	0.00%
Annual Adjustment to	November 1, 2014	3.00%
Annual Adjustment to	October 1, 2009	0.00%
One-Time Adjustment on	September 15, 2008	0.00%
Annual Adjustment to	September 1, 2008	0.00%

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 from $98.59 to $301.52 per square foot. After adjustments the comparable improved sales reflect unit prices ranging from $277.81 to $323.41 per square foot with an average adjusted price of $306.63 per square foot.

The reported and derived overall capitalization rates range from 4.21 to 6.74 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. Market rents within the subject property average in the mid $30's per square foot.

Based on our analysis of these sales on a price per square foot basis, a reasonable adjusted value range for the subject property is $277.81 to $323.41 per square foot of net rentable area, indicating a value range of $330,000,000 to $380,000,000.

Therefore, we conclude that the indicated value by the Percentage Adjustment Method was:

PERCENT ADJUSTMENT METHOD SUMMARY	
MARKET VALUE AS IS:	
Net Rentable Area:	1,181,691
Concluded Price Per Square Foot:	x $300.00
Indicated Value:	$354,507,300
Rounded:	$355,000,000
Per Square Foot:	$300.42

EFFECTIVE GROSS INCOME MULTIPLIER ANALYSIS

The effective gross income multiplier (EGIM) is calculated in the sales transactions by dividing the sales price by the effective gross income at the time of sale. The EGIM expresses the relationship between a sales price and the property's effective gross income. EGIM is commonly used by buyers and sellers of commercial real estate as a straightforward relationship between gross revenue of a building after costs associated with vacancy and non collection on the date of its sale, and its sale price. All other things being equal, the lower the income, the lower the sales price. However, there are other variables that affect the price/income relationship such as the condition of the property, the vacancy at time of sale, the stability of the income stream, the likelihood of near term change (up or down), and the ratio of operating expenses to effective gross income.

As all of the sales are very similar to the property appraised in terms of physical condition, access and visibility and the prospect for continuation of the income stream at or near current levels, the expense ratio is the most significant variable of difference. The expense ratio affects net operating income and, by implication, the overall capitalization rate and sales price. There is an inverse relationship between the expense ratio and EGIM; the higher the expense ratio, the lower the EGIM.

Based on our analysis of sales and give the current economic climate, we have concluded that the appropriate range of an EGIM would be 7.50 to 8.50. Applying this range to the effective gross income for the **fiscal year 2015** of **$42,356,044** produces a range of $320,000,000 to $360,000,000. **We have placed limited weight on the EGIM analysis since the subject's estimated fiscal year 2015 effective gross income is based on future market rents.** Based on this information, we conclude that the value indicated by the EGIM Analysis was:

EGIM SUMMARY

No.	Property	Sale Price		Effective Gross Income		EGIM
1	120 Broadway	$525,000,000	÷	$76,000,000	=	6.91
2	195 Broadway	$285,000,000	÷	$32,000,000	=	8.91
3	93 Worth Street	$49,750,000	÷	N/A	=	9.74
4	72 Wall Street	$46,000,000	÷	N/A	=	N/A
5	375 Pearl Street	$122,200,000	÷	N/A	=	N/A
6	100 Broadway	$80,000,000	÷	$9,660,461	=	8.28
7	4 New York Plaza	$107,000,000	÷	$24,973,582	=	4.28

ANALYSIS

Range	EGIM	Subject EGI	Indicated Value	PSF
Low	4.28	$42,356,044	$181,475,637	$153.57
High	9.74	$42,356,044	$412,378,476	$348.97
Median	8.28	$42,356,044	$350,757,952	$296.83
Average	7.62	$42,356,044	$322,887,335	$273.24

CONCLUSION	LOW	HIGH
Indicated EGIM	**7.50**	**8.50**
Effective Gross Income	x 42,356,044	x 42,356,044
Indicated Value	$317,670,330	$360,026,374
Rounded	$320,000,000	$360,000,000
Per Square Foot	$270.80	$304.65

SALES COMPARISON APPROACH CONCLUSION

Sales No. 1 through 3 are the most recent transactions, which indicate adjusted unit prices ranging from $308.43 to $312.97 per square foot, using the percentage adjustment method. The majority of the sales were adjusted for age and condition, quality and appeal or location.

Therefore, the value indicated by the Sales Comparison Approach is near the middle of the range of adjusted sale prices per square foot indicated by the comparables.

SALES COMPARISON APPROACH SUMMARY		
METHOD	LOW RANGE	HIGH RANGE
Value indicated on basis of percentage adjustments	$330,000,000	$380,000,000
Value indicated by EGIM analysis	$320,000,000	$360,000,000
Indicated Value Range per square foot of NRA	$330,000,000	$380,000,000

Investors of Manhattan office buildings place most weight on the sale price per square foot analysis to derive an estimate of market value. **We have placed limited weight on the EGIM analysis since the subject's estimated fiscal year 2015 effective gross income is based on future market rents.** In light of this fact, we have placed most weight on the sale price per square foot method. Based on our analysis of competitive sales, we conclude that the indicated value by the Sales Comparison Approach on November 1, 2014, will be:

SALES COMPARISON APPROACH CONCLUSION		
NET SF	$/SF	INDICATED VALUE
1,181,691	$300.00	$354,507,300
Rounded:		$355,000,000
Per Sq Ft:		$300.42

The value of the leasehold interest of the property is estimated by deducting the value of the leased fee interest (ground lessor's position) from the value in fee simple interest. This estimate, explained within the Ground Lease and Land Valuation section of this report, of $84,000,000 results in the following calculation:

VALUATION	
Market Value "As Is" of the Fee Simple Interest	$355,000,000
Less: Value of the Leased Fee Interest	$84,000,000
Value of the Leasehold Interest (Rounded)	**$271,000,000**

Opinion of Value Indicated by the Sales Comparison Approach

"Prospective Market Value" As of November 1, 2014

$271,000,000

MARKET VALUE "AS IS" CONCLUSION

The subject property is not stabilized, so we made deductions for lease-up costs. These include rent loss, expense carry, leasing commissions, free rent, and tenant improvements. Also inherent in the lease-up cost is a provision for entrepreneurial profit to reflect the risks of investing in a property with vacant space.

The lease-up cost associated with bringing the subject property to stabilized occupancy represents the difference between the values reflected in the "As Is" and "Prospective Value Upon Stabilization" Discounted Cash Flow models as presented in the Income Capitalization Approach section of the report. The "As Is" discounted cash flow reflected a value of $200,000,000 and the "Prospective Value Upon Stabilization" discounted cash flow reflected a value of $270,000,000. The difference between the two values is $70,000,000, which represents the total lease-up cost.

The differential in the two cash flows indicates the total lease-up cost summarized below:

LEASE UP COST ADJUSTMENT	
Prospective Value Upon Stabilization (Cash Flow)	$270,000,000
Less: Market Value As Is (Cash Flow)	$200,000,000
Indicated Lease-Up Adjustment	$70,000,000

Deducting the indicated lease-up adjustment from the Prospective Value Upon Stabilization results in the following As Is value estimate as of November 1, 2011, will be:

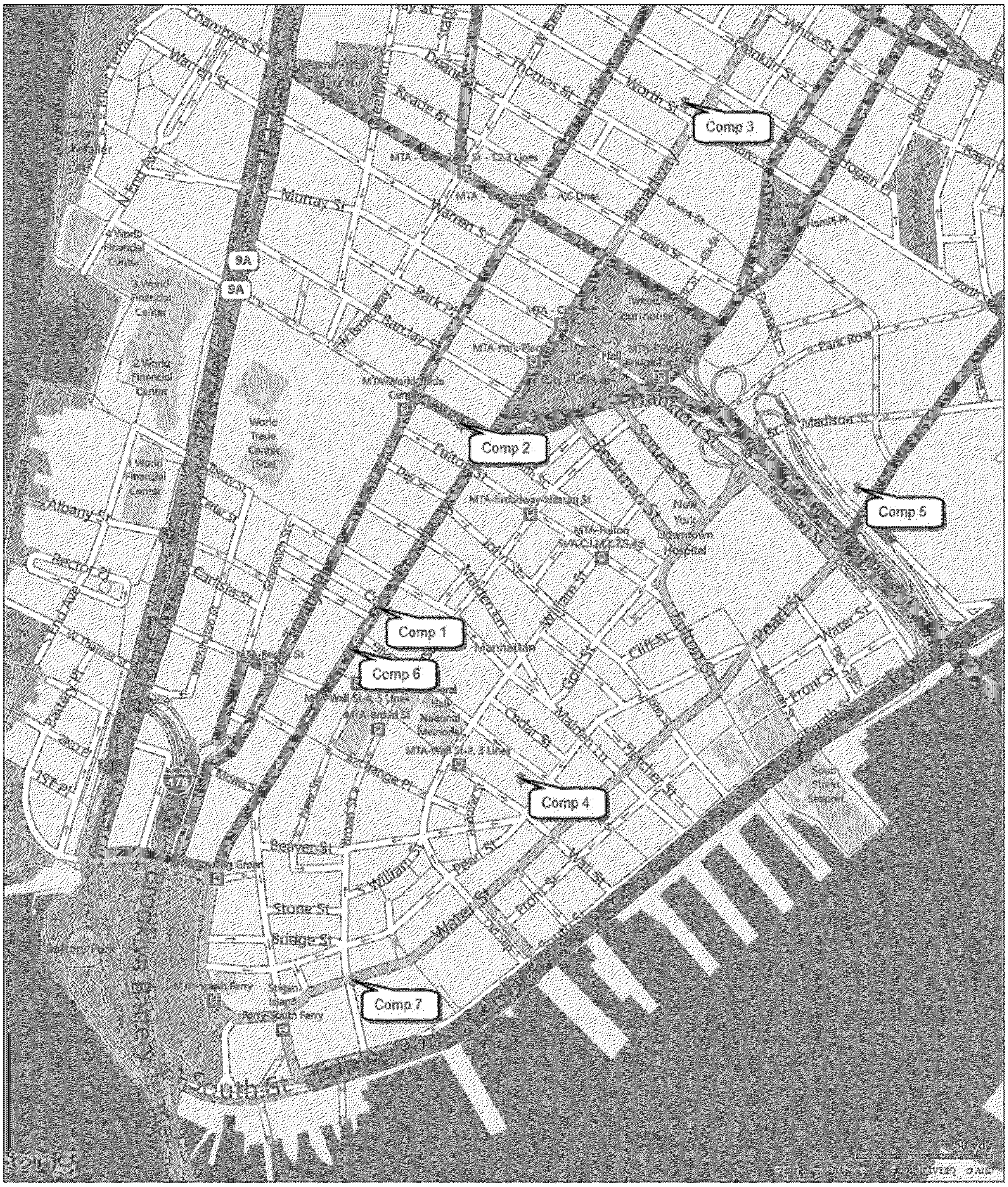
SALES COMPARISON APPROACH CONCLUSION	
NET SF	INDICATED VALUE
Indicated Value Per Square Foor (NRA)	$300.00
Net Rentable Area (SF)	X 1,181,691
Indicated Value	$354,507,300
Less: Value of the Leased Fee Interest	$74,000,000
Value of the Leasehold Interest (Rounded)	$280,507,300
Less: Lease Up Adjustment	($70,000,000)
Adjusted Value	$210,507,000
Rounded:	$211,000,000
Per Sq Ft:	$178.56

Opinion of Value Indicated by the Sales Comparison Approach

"As Is" Market Value as of November 1, 2011

$211,000,000

SALE COMPARISON MAP



CUSHMAN & WAKEFIELD.

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.

Based on the rent roll, the current net rentable area is 1,162,575 square feet, while the future remeasured net rentable area is 1,181,691 square feet once the leases that are not remeasured expire. As these leases expire, tenants will be paying rent based on their remeasured area, which is standard in the market.

OCCUPANCY STATUS

The property, 40 Wall Street, is currently 72.88 percent leased to 50 office tenants and four retail tenants. There are 24 vacant office spaces within the property totaling 290,057± square feet. In addition, there are four vacant retail spaces on the ground floor and second floor totaling 16,211± square feet and six vacant storage spaces in the basement totaling 14,147± square feet available for lease.

The property includes 1,350± square feet of building management space; 34,570± square feet of storage space in the basement and upper floors; 56,486± square feet of retail space on the ground floor, basement and second floor; and 1,089,285± square feet of above grade office space. The building's on going remeasurement will result in a total of 1,181,691± rentable square feet which occurs once the leases that are not remeasured expire.

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	1,089,285	799,228	67.63%	290,057	24.55%	$31.95
Retail Space	56,486	40,275	3.41%	16,211	1.37%	$53.74
Storage Space	34,570	20,422	1.73%	14,148	1.20%	$45.08
Management Office	1,350	1,350	0.11%	-	0.00%	
Total	1,181,691	861,275	72.88%	320,416	27.12%	

***Remeasured target square footage.**

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

RENT ROLL REPORT

	SUITE	TENANT	AREA / SF	REMEASURED AREA / SF	BEGIN DATE	END DATE
Storage / Other Tenants						
1	Bsmt	To-Be-Leased	804	804	Feb-12	Jan-22
2	Bsmt	To-Be-Leased	2,640	2,640	Feb-12	Jan-22
3	Bsmt	To-Be-Leased	1,683	1,683	Feb-12	Jan-22
4	Bsmt	To-Be-Leased	2,640	2,640	Feb-12	Jan-22
5	Bsmt	To-Be-Leased	1,683	1,683	Feb-12	Jan-22
6	Bsmt	Jaskim Inc.	240	240	Jan-10	Jul-20
7	2501	The Judge Group Inc.	4,269	4,800	May-08	May-18
8	2502	Oracle America Inc.	6,166	6,944	Apr-08	Mar-13
9	2503	Emag Solutions LLC	4,417	4,417	Dec-10	Oct-12
10	2504	Metro PCS NY LLC	689	175	Sep-08	Dec-30
11	2505	To-Be-Leased	4,698	4,698	Feb-13	Jan-23
12	2506	Cogent Communications	1	1	Mar-01	Dec-30
13	2507	Sprint National Lease Mgmt	194	194	Feb-01	Dec-30
14	2508	Cypress Communications	200	200	Mar-97	Dec-30
15	2509	MCI World Com Lease Admin.	150	150	Mar-97	Dec-30
16	2510	Time Warner Axs of NYC	125	125	Apr-97	Dec-30
17	2511	XO Communication Services	175	175	Nov-99	Dec-30
18	2512	AT & T Gre Lease Admin.	175	175	Feb-00	Dec-30
19	2513	Yipes Enterprises Services	217	217	Sep-03	Dec-30
20	2514	RCN Business Solutions	83	83	Apr-03	Dec-30
21	2515	DAE Woo	2,527	2,527	Jan-10	Dec-30
Retail Tenants						
22	Bsmt	SAV Cafe Inc.	1,900	1,900	Apr-97	Nov-11
23	Grade	Kenjo 40 Wall St Inc.	600	565	Feb-98	Aug-13
24	Grade	Duane Reade	5,273	5,273	Jun-10	Dec-32
25	Grade	Duane Reade	18,037	18,037	Jun-10	Dec-32
26	Grade	Milk Street Cafe	14,500	14,500	Sep-10	Jan-26
27	Grade	To-Be-Leased	4,923	4,923	Feb-12	Jan-22
28	Grade	To-Be-Leased	791	791	Feb-12	Jan-22
29	202	To-Be-Leased	9,447	9,447	Feb-12	Jan-22
30	203	To-Be-Leased	1,050	1,050	Feb-12	Jan-22
Major Office Tenants (>20,000 Square Feet)						
31	301	Country-Wide Insurance	10,510	10,510	Mar-11	Aug-21
32	302	To-Be-Leased	22,646	22,646	Feb-12	Jan-27
33	401	To-Be-Leased	28,153	28,153	May-12	Apr-27
34	403	Haks Engineering & Land	10,675	10,675	Dec-10	Dec-20
35	501	GDS Publishing	20,240	20,240	Sep-09	Sep-16
36	600	To-Be-Leased	36,921	36,921	Aug-12	Jul-27
37	700	Continental Casualty Company	35,336	37,217	Jun-98	Mar-14
38	800	Continental Casualty Company	33,036	35,168	Jun-98	Mar-14
39	900	Continental Casualty Company	33,476	35,050	Jun-98	Mar-14
40	1000	Continental Casualty Company	33,449	35,050	Jun-98	Mar-14
41	1100	Haks Engineering & Land	34,975	34,975	Jun-10	Dec-20
42	1200	Continental Casualty > Country-Wide Ins.	30,515	31,942	Jun-98	Mar-14
43	1300	Country-Wide Insurance	33,244	33,244	Mar-11	Aug-21
44	1400	Country-Wide Insurance	32,645	32,645	Mar-11	Aug-21
45	1603	XO Communication Services	20,586	20,586	Mar-10	Mar-22
46	1800	Weidlinger Associates	32,875	32,875	Nov-11	Jan-33
47	1900	Weidlinger Associates	28,207	28,207	Nov-11	Jan-33
48	2000	Huron Consulting Services	28,812	28,812	Sep-11	Jul-22
49	2100	To-Be-Leased	27,288	27,288	Nov-12	Oct-27
50	2200	To-Be-Leased	27,250	27,250	Feb-13	Jan-28
51	2400	The Global Alliance	28,427	28,427	Dec-07	Dec-17
52	2800	Office Space Solutions Inc.	14,515	14,515	Aug-06	May-17
53	2900	Office Space Solutions Inc.	13,143	13,544	Aug-06	May-17

RENT ROLL REPORT (CONTINUED)

	SUITE	TENANT	AREA / SF	REMEASURED AREA / SF	BEGIN DATE	END DATE
Minor Office Tenants (<20,000 Square Feet)						
54	201	Management Office	1,350	1,350	Oct-08	Dec-30
55	402	To-Be-Leased	274	274	May-12	Apr-22
56	502	Star Alliance Trading Group	7,500	7,500	Sep-09	Dec-14
57	503	Xcitek Solutions	6,288	6,288	Jun-10	Oct-20
58	1501	IBIS World Inc.	16,209	16,209	Sep-11	Oct-21
59	1502	SS&C Technologies Holdings	12,066	12,066	Sep-11	Oct-22
60	1503	To-Be-Leased	8,846	8,846	Aug-12	Jul-22
61	1601	Core Staffing Services	5,845	5,845	May-10	Sep-17
62	1602	To-Be-Leased	5,772	5,772	Nov-12	Oct-22
63	1701	To-Be-Leased	6,765	6,765	Nov-12	Oct-22
64	1702	Jaskim Inc.	4,808	4,808	Dec-09	Jul-20
65	1703	John Carris Investment	12,797	12,797	Aug-11	Jul-21
66	1704	Topeka Capital Markets	4,905	4,905	Feb-11	Jun-21
67	1705	United Advisors	3,412	3,412	Jun-11	May-16
68	2301	To-Be-Leased	5,513	5,513	Feb-13	Jan-23
69	2302	Leslie E. Robertson	19,967	19,967	Nov-11	Aug-27
70	2600	To-Be-Leased	15,353	15,353	May-13	Apr-23
71	2701	Zaremba Brownell & Brown	3,954	3,954	Feb-10	Jan-25
72	2702	Zaremba Brownell & Brown	2,106	2,106	Jul-11	Jan-25
73	2703	Bureau Van DIJK	7,987	7,987	Feb-11	Jun-18
74	2704	To-Be-Leased	1,377	1,377	May-13	Apr-23
75	3001	Clancy Finanacial Services	4,384	4,384	Feb-10	Feb-17
76	3002	Rosabianca & Associates	5,433	5,433	Nov-11	Feb-19
77	3003	Lane MC Viker LLC	3,728	3,728	Aug-11	Jun-17
78	3101	Mercer Capital Ltd	9,541	9,869	Jan-05	Apr-15
79	3102	Prodigy	3,616	3,616	Nov-11	Oct-21
80	3201	UBS Financial Services	2,682	3,198	Mar-99	Feb-14
81	3202	Rosen Greenberg Blaha LLP	3,450	4,593	Jan-10	Feb-15
82	3301	Murphy & O' Connell	2,525	1,743	Jan-06	Apr-14
83	3302	Relavis Corporation	4,132	4,143	Aug-06	Feb-12
84	3303	Rosensteel Law	3,689	3,689	Jan-12	Dec-16
85	3304	Banif Securities	2,947	3,058	Sep-02	Aug-12
86	3305	Trump University LLC	5,315	5,759	Nov-05	Oct-15
87	3400	ICF Consulting Group	12,562	12,562	Apr-11	Jun-21
88	3500	Solomon,Pearl,Blum	8,288	8,641	Sep-00	Jul-20
89	3600	Tradeware Systems Corp.	7,981	8,848	Nov-01	Dec-11
90	3700	Tradeware Systems Corp.	7,884	8,840	Sep-03	Dec-11
91	3801	NYG Capital LLC	5,310	5,310	Jan-10	Sep-15
92	3802	Oakwood Asset Management LLC	2,086	2,086	Jan-10	Mar-15
93	3900	Euroclear Bank S.A.	8,313	8,841	Feb-08	Jul-18
94	4000	To-Be-Leased	9,317	9,317	May-13	Apr-23
95	4100	Hilton Hotels Corporation	8,878	9,277	Jul-03	Jun-13
96	4200	Direct Access Partners	9,372	9,372	Jan-10	Dec-19
97	4301	Telstra Inc	5,125	5,125	Apr-10	Sep-20
98	4302	Direct Access Partners	4,247	4,247	Jan-10	Dec-19
99	4400	Telstra Inc	9,372	9,372	Apr-10	Sep-20
100	4500	Freedom Holdings Group	8,870	9,372	Mar-09	Feb-19

RENT ROLL REPORT (CONTINUED)						
	SUITE	TENANT	AREA / SF	REMEASURED AREA / SF	BEGIN DATE	END DATE
Minor Office Tenants (<20,000 Square Feet) (Continued)						
101	4600	RG Michals	9,372	9,372	Jun-11	Aug-21
102	4700	To-Be-Leased	9,372	9,372	May-13	Apr-23
103	4800	Brokerage Management Corp.	9,263	9,263	Jul-10	Jul-22
104	4900	To-Be-Leased	9,263	9,263	Aug-13	Jul-23
105	5000	American Precious Metal	9,248	9,248	Sep-11	Jan-22
106	5100	To-Be-Leased	9,248	9,248	Aug-13	Jul-23
107	5200	To-Be-Leased	9,248	9,248	Aug-13	Jul-23
108	5300	To-Be-Leased	9,248	9,248	Aug-13	Jul-23
109	5400	To-Be-Leased	9,248	9,248	Aug-13	Jul-23
110	5500	To-Be-Leased	9,248	9,248	Nov-13	Oct-23
111	5600	To-Be-Leased	9,248	9,248	Nov-13	Oct-23
112	5700	To-Be-Leased	8,025	8,025	Nov-13	Oct-23
113	5800	Baytree Associates	7,461	8,227	May-97	Apr-12
114	5900	Infinitel Communications Inc.	7,900	7,900	Nov-09	Apr-19
115	6000	To-Be-Leased	6,191	6,191	Nov-13	Oct-23
116	6100	To-Be-Leased	6,243	6,243	Nov-13	Oct-23
117	6200	Pyne Companies Ltd	1,972	4,995	Dec-98	Jan-12
118	6300	RCL Advisors	3,416	3,591	May-07	Apr-17
	Total		1,162,575	1,181,691		

LEASE STRUCTURE OF THE SUBJECT PROPERTY

The property is leased to 9 major office tenants (defined as tenant spaces greater than 20,000 square feet). The two largest office tenants in the property are Continental Casualty Company and Country-Wide Insurance. Continental Casualty Company leases 165,812± square on the 7th through 10th floors and 12th floor. Country-Wide Insurance leases 76,399± square on the 3rd, 13th and 14th floors. Together, the leases with Continental Casualty Company and Country-Wide Insurance represent over 20 percent of the property's total rentable area.

The remaining major office tenants in the building include include Weidlinger Associates (61,082± square feet) located on the 18th and 19th floors; Haks Engineering & Land (45,650± square feet) on the 4th and 11th floors; Huron Consulting Services (28,812± square feet) on the 20th floor; The Global Alliance (28,427± square feet) on the 24th floor; Office Space Solutions Inc. (27,658± square feet) on the 28th and 29th floors; XO Communication Services (20,586± square feet) on the 16th floor; and GDS Publishing (20,240± square feet) on the 5th floor.

The 9 major office tenants previously mentioned represent over 40 percent of the property's total rentable area. Each of these firms are considered major office tenants in the building, a classification that necessitates a more generous concession package on rollover (free rent and tenant work letter), than that provided to minor office tenants in the property.

The balance of office space in the building is leased to 41 office tenants that lease smaller units of space. These spaces range from 1,972± to 19,967± square feet. These firms represent a mixture of industries including insurance, law, communication and financial services. These tenants have a typical mixture of credit quality ranging from fair to average within the context of their mostly unrated status. The minor office tenancies represent approximately 26 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 Kenjo 40 Wall St Inc., Milk Street Café, Duane Reade and Sav Café Inc. Kenjo 40 Wall St Inc. leases 600± square feet and Milk Street Café leases 14,500± square feet along Wall Street side of the building, respectively. 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 four vacant retail spaces in the lobby and 2nd floor totaling 16,211± square feet available for lease. The retail space in the property prior to remeasurement totals 56,521± 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
Continental Casualty Company	165,812	174,427	14.26%	$5,305,881	18.94%	$32.00	Mar-14
Country-Wide Insurance	76,399	76,399	6.57%	$1,909,975	6.82%	$25.00	Aug-21
Weidlinger Associates	61,082	61,082	5.25%	$1,649,214	5.89%	$27.00	Jan-33
Haks Engineering & Land	45,650	45,650	3.93%	$1,260,743	4.50%	$27.62	Dec-20
Huron Consulting Services	28,812	28,812	2.48%	$836,479	2.99%	$29.03	Jul-22
The Global Alliance	28,427	28,427	2.45%	$1,149,872	4.10%	$40.45	Dec-17
Office Space Solutions Inc.	27,658	28,059	2.38%	$940,372	3.36%	$34.00	May-17
XO Communication Services	20,586	20,586	1.77%	$617,580	2.20%	$30.00	Mar-22
GDS Publishing	20,240	20,240	1.74%	$647,680	2.31%	$32.00	Sep-16
Total Major Office Tenants (>20,000 SF)	474,666	483,682	40.83%	$14,317,796	51.10%	$30.16	
Leslie E. Robertson	19,967	19,967	1.72%	$539,109	1.92%	$27.00	Aug-27
IBIS World Inc.	16,209	16,209	1.39%	$226,602	0.81%	$13.98	Oct-21
Tradeware Systems Corp.	15,865	17,688	1.36%	$651,144	2.32%	$41.04	Dec-11
Telstra Inc	14,497	14,497	1.25%	$536,389	1.91%	$37.00	Sep-20
Direct Access Partners	13,619	13,619	1.17%	$449,427	1.60%	$33.00	Dec-19
John Carris Investment	12,797	12,797	1.10%	$272,453	0.97%	$21.29	Jul-21
ICF Consulting Group	12,562	12,562	1.08%	$427,108	1.52%	$34.00	Jun-21
SS&C Technologies Holdings	12,066	12,066	1.04%	$337,848	1.21%	$28.00	Oct-22
Mercer Capital Ltd	9,541	9,869	0.82%	$305,312	1.09%	$32.00	Apr-15
RG Michals	9,372	9,372	0.81%	$310,494	1.11%	$33.13	Aug-21
Brokerage Management Corp.	9,263	9,263	0.80%	$370,520	1.32%	$40.00	Jul-22
American Precious Metal	9,248	9,248	0.80%	$342,176	1.22%	$37.00	Jan-22
Hilton Hotels Corporation	8,878	9,277	0.76%	$319,608	1.14%	$36.00	Jun-13
Freedom Holdings Group	8,870	9,372	0.76%	$487,850	1.74%	$55.00	Feb-19
Euroclear Bank S.A.	8,313	8,841	0.72%	$473,841	1.69%	$57.00	Jul-18
Solomon,Pearl,Blum	8,288	8,641	0.71%	$265,216	0.95%	$32.00	Jul-20
Bureau Van DIJK	7,987	7,987	0.69%	$263,571	0.94%	$33.00	Jun-18
Infinitel Communications Inc.	7,900	7,900	0.68%	$323,900	1.16%	$41.00	Apr-19
Star Alliance Trading Group	7,500	7,500	0.65%	$240,000	0.86%	$32.00	Dec-14
Baytree Associates	7,461	8,227	0.64%	$412,593	1.47%	$55.30	Apr-12
Xcitek Solutions	6,288	6,288	0.54%	$201,216	0.72%	$32.00	Oct-20
Zaremba Brownell & Brown	6,060	6,060	0.52%	$165,410	0.59%	$27.30	Jan-25
Core Staffing Services	5,845	5,845	0.50%	$187,040	0.67%	$32.00	Sep-17
Rosabianca & Associates	5,433	5,433	0.47%	$218,678	0.78%	$40.25	Feb-19
Trump University LLC	5,315	5,759	0.46%	$223,230	0.80%	$42.00	Oct-15
NYG Capital LLC	5,310	5,310	0.46%	$180,540	0.64%	$34.00	Sep-15
Topeka Capital Markets	4,905	4,905	0.42%	$161,865	0.58%	$33.00	Jun-21
Jaskim Inc.	4,808	4,808	0.41%	$168,280	0.60%	$35.00	Jul-20
Clancy Finanacial Services	4,384	4,384	0.38%	$149,056	0.53%	$34.00	Feb-17
Relavis Corporation	4,132	4,143	0.36%	$148,752	0.53%	$36.00	Feb-12
Lane MC Viker LLC	3,728	3,728	0.32%	$128,616	0.46%	$34.50	Jun-17
Rosensteel Law	3,689	3,689	0.32%	$130,037	0.46%	$35.25	Dec-16
Prodigy	3,616	3,616	0.31%	$138,312	0.49%	$38.25	Oct-21
Rosen Greenberg Blaha LLP	3,450	4,593	0.30%	$138,000	0.49%	$40.00	Feb-15
RCL Advisors	3,416	3,591	0.29%	$184,464	0.66%	$54.00	Apr-17
United Advisors	3,412	3,412	0.29%	$114,302	0.41%	$33.50	May-16
Banif Securities	2,947	3,058	0.25%	$147,350	0.53%	$50.00	Aug-12
UBS Financial Services	2,682	3,198	0.23%	$96,552	0.34%	$36.00	Feb-14
Murphy & O' Connell	2,525	1,743	0.22%	$68,276	0.24%	$27.04	Apr-14
Oakwood Asset Management LLC	2,086	2,086	0.18%	$68,838	0.25%	$33.00	Mar-15
Pyne Companies Ltd	1,972	4,995	0.17%	$55,216	0.20%	$28.00	Jan-12
Total Minor Office Tenants (<20,000 SF)	306,206	315,546	26.34%	$10,629,192	37.94%	$34.71	

LEASE SUMMARY REPORT (CONTINUED)							
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
Duane Reade	23,310	23,310	2.01%	$1,425,000	5.09%	$61.13	Dec-32
Milk Street Cafe	14,500	14,500	1.25%	$625,000	2.23%	$43.10	Jan-26
SAV Cafe Inc.	1,900	1,900	0.16%	$12,000	0.04%	$6.32	Nov-11
Kenjo 40 Wall St Inc.	600	565	0.05%	$104,060	0.37%	$173.43	Aug-13
Total Retail Tenants	40,310	40,275	3.47%	$2,166,060	7.73%	$53.74	
Oracle America Inc.	6,166	6,944	0.53%	$332,964	1.19%	$54.00	Mar-13
Emag Solutions LLC	4,417	4,417	0.38%	$154,595	0.55%	$35.00	Oct-12
The Judge Group Inc.	4,269	4,800	0.37%	$230,526	0.82%	$54.00	May-18
DAE Woo	2,527	2,527	0.22%	$0	0.00%	$0.00	Dec-30
Metro PCS NY LLC	689	175	0.06%	$54,638	0.20%	$79.30	Dec-30
Jaskim Inc.	240	240	0.02%	$4,080	0.01%	$17.00	Jul-20
Yipes Enterprises Services	217	217	0.02%	$7,293	0.03%	$33.61	Dec-30
Cypress Communications	200	200	0.02%	$10,104	0.04%	$50.52	Dec-30
Sprint National Lease Mgmt	194	194	0.02%	$31,973	0.11%	$164.81	Dec-30
XO Communication Services	175	175	0.02%	$14,999	0.05%	$85.71	Dec-30
AT & T Gre Lease Admin.	175	175	0.02%	$14,999	0.05%	$85.71	Dec-30
MCI World Com Lease Admin.	150	150	0.01%	$9,000	0.03%	$60.00	Dec-30
Time Warner Axs of NYC	125	125	0.01%	$9,375	0.03%	$75.00	Dec-30
RCN Business Solutions	83	83	0.01%	$10,211	0.04%	$123.02	Dec-30
Total Storage / Other Tenants	19,627	20,422	1.69%	884,757	3.16%	$45.08	
Cogent Communications	1	1	0.00%	$19,547	0.07%	$19,547	Dec-30
Total Vacant Office	290,057	290,057	24.95%				
Total Vacant Retail	16,211	16,211	1.39%				
Total Vacant Storage	14,148	14,148	1.22%				
Total Management Space	1,350	1,350	0.12%				
Total Net Rentable Area	1,162,575	1,181,691	100.00%	$28,017,351	100.00%	$24.10	

LEASE EXPIRATIONS

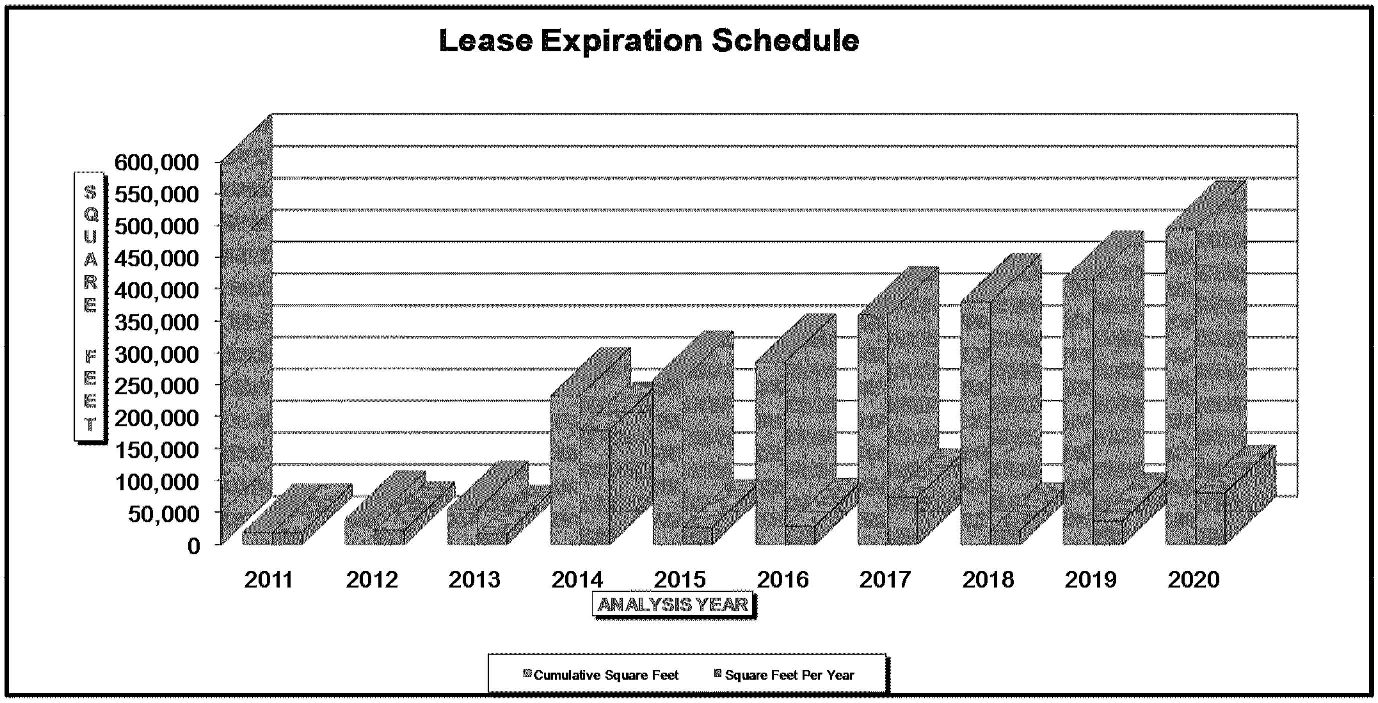
Based upon the subject's current lease expiration schedule, over 60 percent of the property's rentable area is represented by leases that are due to expire within the next twelve calendar years (through 2021). Only 17,765± square feet is due to expire in 2011.

The major rollover years in the analysis period occur in 2014, 2017, 2020, 2021 and 2022. In 2014, 178,519± square feet (15 percent) of the property's rentable area expires; in 2017, 73,458± square feet (6 percent) expires; in 2020, 79,771± square feet (7 percent) expires; in 2021, 135,860± square feet (12 percent) expires; and in 2022, 79,975± square feet (7 percent) expires. Obviously, the largest lease expiration occurs in 2014 when the lease expires with Continental Casualty Company. The average rollover over the next ten years is 4.26 percent per year with most risk occurring in 2014.

LEASE EXPIRATION SCHEDULE

Year Expiration	Expiring Squar Footage Per Rent Roll*	Expiring Squar Footage Per Remeasuremen	% of Square Footage	Cumulative	% of Total Rentable Area	Annual Base Rent On Expiration	Annual Base Rent/SF	% of Total Rent	Cumulative
2011	**17,765**	**19,588**	**1.53%**	**17,765**	**1.53%**	**$663,152**	**$37.33**	**2.11%**	**2.11%**
2012	**20,929**	**24,840**	**1.80%**	**38,694**	**3.33%**	**$918,506**	**$43.89**	**2.92%**	**5.04%**
2013	**15,644**	**16,786**	**1.35%**	**54,338**	**4.67%**	**$756,630**	**$48.37**	**2.41%**	**7.44%**
2014	**178,519**	**186,868**	**15.36%**	**232,857**	**20.03%**	**$5,710,709**	**$31.99**	**18.18%**	**25.63%**
2015	**25,702**	**27,617**	**2.21%**	**258,559**	**22.24%**	**$968,197**	**$37.67**	**3.08%**	**28.71%**
2016	**27,341**	**27,341**	**2.35%**	**285,900**	**24.59%**	**$932,499**	**$34.11**	**2.97%**	**31.68%**
2017	**73,458**	**74,034**	**6.32%**	**359,358**	**30.91%**	**$2,914,147**	**$39.67**	**9.28%**	**40.96%**
2018	**20,569**	**21,628**	**1.77%**	**379,927**	**32.68%**	**$1,045,293**	**$50.82**	**3.33%**	**44.28%**
2019	**35,822**	**36,324**	**3.08%**	**415,749**	**35.76%**	**$1,609,090**	**$44.92**	**5.12%**	**49.41%**
2020	**79,771**	**80,124**	**6.86%**	**495,520**	**42.62%**	**$2,722,653**	**$34.13**	**8.67%**	**58.08%**
2021	**135,860**	**135,860**	**11.69%**	**631,380**	**54.31%**	**$4,405,325**	**$32.43**	**14.03%**	**72.10%**
2022	**79,975**	**79,975**	**6.88%**	**711,355**	**61.19%**	**$2,787,541**	**$34.86**	**8.88%**	**80.98%**
2023	**0**	**0**	**0.00%**	**711,355**	**61.19%**	**$0**	**$0.00**	**0.00%**	**80.98%**
2024	**0**	**0**	**0.00%**	**711,355**	**61.19%**	**$0**	**$0.00**	**0.00%**	**80.98%**
2025	**6,060**	**6,060**	**0.52%**	**717,415**	**61.71%**	**$248,460**	**$41.00**	**0.79%**	**81.77%**
2026	**14,500**	**14,500**	**1.25%**	**731,915**	**62.96%**	**$756,320**	**$52.16**	**2.41%**	**84.18%**
2027	**19,967**	**19,967**	**1.72%**	**751,882**	**64.67%**	**$668,895**	**$33.50**	**2.13%**	**86.31%**
2028	**0**	**0**	**0.00%**	**751,882**	**64.67%**	**$0**	**$0.00**	**0.00%**	**86.31%**
2029	**0**	**0**	**0.00%**	**751,882**	**64.67%**	**$0**	**$0.00**	**0.00%**	**86.31%**
2030	**4,536**	**4,022**	**0.39%**	**756,418**	**65.06%**	**$266,951**	**$58.85**	**0.85%**	**87.16%**
2031+	**84,391**	**84,391**	**7.26%**	**840,809**	**72.32%**	**$4,034,391**	**$47.81**	**12.84%**	**100.00%**
Vacant	**320,416**	**320,416**	**27.56%**	**1,161,225**	**99.88%**	**–**	**–**		
Bldg Mgmt	**1,350**	**1,350**	**0.12%**	**1,162,575**	**100.00%**	**–**	**–**		
Analysis Period CY 2011 - 2020 (10 years)									
Totals	495,520	515,150	42.62%			$18,240,876		58.08%	
Average	49,552	51,515	0.04262263			$1,824,088		0.058076	
Entire Property CY 2011 - 2031 (21 years)									
Totals	1,162,575	1,181,691	65.06%			$31,408,758		100.00%	
Average	55,361	56,271	3.10%			$1,495,655		0.047619	

*** Net rentable area prior to remeasurement target of 1,181,691 square feet.**



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

According to Cushman & Wakefield, Inc. Research Department as of the end of the third quareter 2011 the Downtown overall vacancy rate at 9.9 percent increased slightly from the second quarter 2011, but is still down 2.2 percentage points from a year ago. Sublease space has declined significantly over the past year with 842,231 square feet of available sublease space on the market, down from 1.6 million square feet available a year ago. Although the class A direct vacancy rate at 9.3 percent remained flat since the second quarter, it declined from 11.9 percent a year ago due to vigorous class A leasing activity.

In addition, the Downtown overall asking rent at $39.34 per square foot increased $0.58 psf from year-end 2010. Downtown overall rents have remained in the $38-$39 psf range for the last year. The class A average asking rent dropped from the second quarter to $43.19 psf in the third quarter, but is still up 8.6 percent since they bottomed in June 2010.

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**.

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.

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	ɔur World Financial Cente New York City		Two World Financial Center New York City		120 Wall Street New York City		100 William Street New York City		77 Water street New York City	
YEAR BUILT	1930/96	1986		1987		1930		1972		1968-70	
RENTABLE AREA (SF)	1,175,607	1,600,000		2,200,000		467,560		355,364		633,308	
NO.STORIES	63	34		44		34		21		26	
LEASE INFORMATION											
TENANT NAME		Bank of America Merrill Lynch		Bank of America Merrill Lynch		AMFAR		NYPIUA		NYSA ILA Pension Trust	
FLOOR(S) LEASED		Ent. 2nd, Ent. 4th, Ent. 7th -		Ent. 35th, Ent. 39th - Ent. 42nd		Ent. 5th - Ent. 13th		Pt. 11th		Pt. 16th	
LEASE DATE	November 2011	October 2011		October 2011		October 2011		September 2011		August 2011	
TERM		10.00		7.00		15.00		10.00		9.67	
LEASE TYPE	Gross	Gross		Gross		Gross		Gross		Gross	
TENANT SIZE		520,000		230,000		31,532		17,990		16,688	
RENT PER SF		$51.00	Yr. 1	$62.50	Yr. 1	$31.00	Yr. 1	$33.00	Yr. 1	$33.00	Yr. 1
		$56.00	Yr. 6	$67.50	Yr. 6	$33.00	Yr. 6	$35.00	Yr. 6		
						$37.50	Yr. 11				
FREE RENT(MONTHS)	12	0		0		6		5		5	
WORKLETTER (PSF)	$50.00	$55.00		$25.00		$30.00		$50.00		$75.00	
ADJUSTMENTS											
RENT CONCESSIONS		$4.60		$12.50		$2.37		$1.93		($0.59)	
EFFECTIVE ADJUSTED RENT PER SF		$55.60		$75.00		$33.37		$34.93		$32.41	
MONTHS FROM VALUE DATE		0		0		0		1		2	
TIME (MARKET CONDITIONS)		0.0%		0.0%		0.0%		0.0%		0.0%	
TIME ADJUSTED RENT PER SF		$55.60		$75.00		$33.37		$34.93		$32.41	
LOCATION		0%		0%		0%		0%		0%	
FLOOR		0%		0%		0%		0%		0%	
QUALITY		-30%		-30%		10%		0%		0%	
SIZE		10%		5%		0%		0%		0%	
CONDITION		0%		0%		0%		0%		0%	
TOTAL ADJUSTMENT		-20%		-25%		10%		0%		0%	
INDICATED GROSS RENT PER SF		$44.48		$56.25		$36.70		$34.93		$32.41	

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	85 Broad Street New York City	100 Broadway New York City	195 Broadway New York City	14 Wall Street New York City	123 William Street New York City
YEAR BUILT	1930/96	1983	1922	1916	1932	1957
RENTABLE AREA (SF)	1,175,607	1,170,000	304,538	875,000	956,654	503,000
NO.STORIES	63	30	24	30	37	27
LEASE INFORMATION						
TENANT NAME		Oppenheimer & Co	Fensterstock & Partners LLP	The Knot	Atlas Consulting Corp	Office of Federal Social Security
FLOOR(S) LEASED		Ent. 2nd - Ent. 3rd, Ent 22nd - Ent.	Ent. 8th	Pt. 24th - Ent. 25th	Ent. 28th	Ent. 3rd & Pt. 4th
LEASE DATE	November 2011	July 2011	July 2011	May 2011	April 2011	March 2011
TERM		15.00	10.00	10.00	10.00	10.00
LEASE TYPE	Gross	Gross	Gross	Gross	Gross	Gross
TENANT SIZE		269,000	17,460	63,822	7,841	42,388
RENT PER SF		$40.00 Yr. 1 $44.00 Yr. 6 $48.00 Yr. 11	$32.00 Yr. 1 $36.00 Yr. 6	$37.00 Yr. 1 $40.00 Yr. 6	$41.00	$45.00 Yr. 1
FREE RENT(MONTHS)	12	14	7	12	7	2
WORKLETTER (PSF)	$50.00	$70.00	$65.00	$75.00	$50.00	$45.00
ADJUSTMENTS						
RENT CONCESSIONS		($1.78)	($0.17)	($2.50)	$1.71	$4.25
EFFECTIVE ADJUSTED RENT PER SF		$38.22	$31.83	$34.50	$42.71	$49.25
MONTHS FROM VALUE DATE		3	3	5	6	8
TIME (MARKET CONDITIONS)		0.0%	0.0%	0.0%	0.0%	0.0%
TIME ADJUSTED RENT PER SF		$38.22	$31.83	$34.50	$42.71	$49.25
LOCATION		0%	0%	0%	0%	0%
FLOOR		0%	0%	0%	0%	0%
QUALITY		-5%	10%	5%	10%	0%
SIZE		5%	-5%	0%	-10%	0%
CONDITION		0%	0%	0%	0%	0%
TOTAL ADJUSTMENT		0%	5%	5%	0%	0%
INDICATED GROSS RENT PER SF		$38.22	$33.43	$36.23	$42.71	$49.25

The comparable office leases, as exhibited on the **previous pages**, range from $31.00 to $62.50 per square foot, gross, before adjustments and may be summarized as follows:

RENTAL COMPARABLE NO. 1 involves a 520,000± square foot office lease within Four World Financial Center located on the block bounded by the Vesey Street, Westside Highway and North End Avenue. This lease was signed in October 2011 for a 10.00-year term. The tenant leased the 2nd, 4th, and 7th through 14th floors. The initial base rent was $51.00 per square foot increasing to $55.00 per square foot in year six. After adjusting for rent concessions (free rent and work letter), the equivalent rent is $55.60 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 $44.48 per square foot.

RENTAL COMPARABLE NO. 2 involves a 230,000± square foot office lease within Two World Financial Center located on the block bounded by the Hudson River, West, Vesey and Liberty Streets. This lease was signed in October 2011 for a 7.00-year term. The tenant leased the 35th and 39th through 42nd floors. The initial base rent was $62.50 per square foot increasing to $67.50 per square foot in year six. After adjusting for rent concessions (free rent and work letter), the equivalent rent is $75.00 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 $56.25 per square foot.

RENTAL COMPARABLE NO. 3 involves a 31,532± square foot office lease within 120 Wall Street located on the northwest corner of South Street. This lease was signed in October 2011 for a 15.00-year term. The tenant leased the 5th through 13th floors. The initial base rent was $31.00 per square foot, increasing to $33.00 per square foot in year six, and, $37.50 per square foot in year eleven. After adjusting for rent concessions (free rent and work letter), the equivalent rent is $33.37 per square foot.

In comparison to the subject property, an upward adjustment was required for quality. No other adjustments were required. The adjusted rent is $36.70 per square foot.

RENTAL COMPARABLE NO. 4 involves a 17,990± square foot office lease within 100 William Street located between John and Platt Streets. This lease was signed in September 2011 for a 10.00-year term. The tenant leased part of the 11th floor. The base rent was $33.00 per square foot increasing to $35.00 per square foot in year six. After adjusting for rent concessions (free rent and work letter), the equivalent rent is $33.93 per square foot, gross.

In comparison to the subject property, no adjustments were required. The adjusted rent is $34.93 per square foot.

RENTAL COMPARABLE NO. 5 involves a 16,688± square foot office lease within 77 Water Street on the block bounded by Gouverneur, Old Slip, and Front Streets. This lease was signed in August 2011 for a 9.67-year term. The tenant leased part of the 16th floor. The initial base rent was $33.00 per square foot. After adjusting for rent concessions, the equivalent rent is $32.41 per square foot, gross.

In comparison to the subject property, no adjustments were required. The adjusted rent is $32.41 per square foot.

RENTAL COMPARABLE NO. 6 involves a 286,000± square foot office lease within 85 Broad Street located on the block bounded by Broad Street, South William Street, Pearl Street and Coenties Alley. This lease was signed in July 2011 for a 15.00-year term. The tenant leased the entire 2nd, 3rd, 22nd through 26th floors. The initial base rent was $40.00 per square foot, increasing to $44.00 per square foot in year six, and, $48.00 per square foot in year eleven. After adjusting for rent concessions (free rent and work letter), the equivalent rent is $38.22 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 $38.22 per square foot.

RENTAL COMPARABLE NO. 7 involves a 17,460± square foot office lease within 100 Broadway located on the southeast corner of Broadway and Pine Street. This lease was signed in July 2011 for a 10.00 -year term. The tenant leased the 8th floor. The initial base rent was $32.00 per square foot increasing to $36.00 per square foot in year six. After adjusting for rent concessions (free rent and work letter), the equivalent rent is $31.83 per square foot, gross.

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 $33.43 per square foot.

RENTAL COMPARABLE NO. 8 involves a 63,822± square foot office lease within 195 Broadway located between Dey and Fulton Streets. This lease was signed in May 2011 for a 10.00-year term. The tenant leased the part of the 24th and the entire 25th floors. The base rent was $37.00 per square foot increasing to $40.00 per square foot in year six. After adjusting for rent concessions (free rent and work letter), the equivalent rent is $34.50 per square foot, gross.

In comparison to the subject property, an upward adjustment was required for quality. No other adjustments were required. The adjusted rent is $36.23 per square foot.

RENTAL COMPARABLE NO. 10 involves a 7,841± square foot office lease within 14 Wall Street located on the northwest corner of Nassau and Wall Streets. This lease was signed in April 2011 for a 10.00-year term. The tenant leased the 28th floor. The initial base rent was $41.00 per square foot. After adjusting for rent concessions (free rent and work letter), the equivalent rent is $42.71 per square foot.

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 $42.71 per square foot.

RENTAL COMPARABLE NO. 10 involves a 42,388± square foot office lease within 123 William Street located between John and Fulton Streets. This lease was signed in March 2011 for a 10.00-year term. The tenant leased the entire 3rd floor and portion of the 4th floor. The base rent was $45.50 per square foot. After adjusting for rent concessions (free rent and work letter), the equivalent rent is $49.25 per square foot.

In comparison to the subject property, no adjustments were required. The adjusted rent is $49.25 per square foot.

After adjustment to the comparables, a range of $32.41 to $56.25 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)	Begin Date	End Date	Yr/Rent	Base Year/Concessions
1	**Continental Casualty Company**	Entire 7	35,336	Jun-98	Mar-14	$29.97	Tax Base: 2001/02 Operating Base: 1999 Electric: SM + 105% Free Rent: None Work letter: None
		Entire 8	33,036	Jun-98	Mar-14	$32.06	Tax Base: 2001/02 Operating Base: 1999 Electric: SM + 105% Free Rent: None Work letter: None
		Entire 9	33,476	Jun-98	Mar-14	$31.64	Tax Base: 2001/02 Operating Base: 1999 Electric: SM + 105% Free Rent: None Work letter: None
		Entire 10	33,449	Jun-98	Mar-14	$31.66	Tax Base: 2001/02 Operating Base: 1999 Electric: SM + 105% Free Rent: None Work letter: None
		Entire 12	30,515	Jun-98	Mar-14	$35.05	Tax Base: 2001/02 Operating Base: 1999 Electric: SM + 105% Free Rent: None Work letter: None
	Country-Wide Insurance (Future Tenant)	Entire 12	31,942	Apr-14	Aug-21	(04/14) $25.00 (09/16) $27.50	Tax Base: 2014 Operating Base: 2014 Electric: SM + 105% Free Rent: None Work letter: None
2	**Country-Wide Insurance**	Part 3	10,510	Mar-11	Aug-21	$25.00 (10/14) $35.45 (09/16) $39.00	Tax Base: 2011 Operating Base: 2011 Electric: SM + 105% Free Rent: None Work letter: None
		Part 13 Part 14	33,244 32,645 65,889	Mar-11	Aug-21	$25.00 (09/16) $27.50	Tax Base: 2011 Operating Base: 2011 Electric: SM + 105% Free Rent: None Work letter: None
3	**Weidlinger Associates**	Entire 18 Entire 19	32,875 28,207 61,082	Nov-11	Jan-33	(02/13) $27.00 (02/18) $30.00 (02/23) $33.00 (02/28) $37.00	Tax Base: 2013 Operating Base: 2013 Electric: SM + 105% Free Rent: 5 Mos. Work letter: None
4	**Haks Engineering & Land**	Part 11	34,975	Jun-10	Dec-20	$26.28 (12/13) $28.19 (12/16) $30.58	Tax Base: 2010/11 Operating Base: 2010 Electric: SM + 105% Free Rent: None Work letter: None
		Part 4	10,675	Dec-10	Dec-20	$32.00 (01/16) $35.25	Tax Base: 2010/11 Operating Base: 2010 Electric: SM + 105% Free Rent: None Work letter: None

40 WALL STREET OFFICE LEASES (Continued)									
No.	Tenant	Floors	Area (SF)	Begin Date	End Date	Yr/Rent		Base Year/Concessions	
5	Huron Consulting Services	Entire 20	28,812	Sep-11	Jul-22	(07/12)	$29.03	Tax Base:	2011/12
						(08/12)	$27.00	Operating Base:	2012
						(08/17)	$30.00	Electric:	SM + 105%
								Free Rent:	None
								Work letter:	None
6	The Global Alliance	Entire 24	28,427	Dec-07	Dec-17		$40.45	Tax Base:	2007/08
						(01/14)	$41.69	Operating Base:	2008
								Electric:	SM + 105%
								Free Rent:	None
								Work letter:	None
7	Office Space Solutions Inc.	Entire 28	14,515	Aug-06	May-17		$34.00	Tax Base:	2006/07
		Entire 29	13,143			(06/14)	$37.00	Operating Base:	2006/07
			27,658					Electric:	SM + 105%
								Free Rent:	None
								Work letter:	None
8	XO Communication Services	Part 16	20,586	Mar-10	Mar-22		$30.00	Tax Base:	2010
						(02/15)	$33.00	Operating Base:	2010
						(01/19)	$36.00	Electric:	SM + 105%
								Free Rent:	4 Mos.
								Work letter:	None
9	GDS Publishing	Part 5	20,240	Sep-09	Sep-16		$32.00	Tax Base:	2010/11
						(03/13)	$32.58	Operating Base:	2010
						(04/13)	$34.00	Electric:	SM + 105%
								Free Rent:	None
								Work letter:	None
10	Leslie E. Robertson	Part 23	19,967	Nov-11	Aug-27	(09/12)	$27.00	Tax Base:	2011
						(02/13)	$30.00	Operating Base:	2011
						(02/18)	$33.50	Electric:	SM + 105%
								Free Rent:	None
								Work letter:	None
11	IBIS World Inc.	Part 15	16,209	Sep-11	Oct-21		$13.98	Tax Base:	2011
						(02/12)	$33.50	Operating Base:	2011
						(02/17)	$36.50	Electric:	SM + 105%
								Free Rent:	None
								Work letter:	None
12	Tradeware Systems Corp.	Entire 36	7,981	Nov-01	Dec-11		$48.00	Tax Base:	2002
								Operating Base:	2002
								Electric:	SM + 105%
								Free Rent:	None
								Work letter:	None
		Entire 37	7,884	Sep-03	Dec-11		$34.00	Tax Base:	Avg of 2003/04 & 20
								Operating Base:	2004
								Electric:	SM + 105%
								Free Rent:	None
								Work letter:	None
13	Telstra Inc.	Part 43	5,125	Apr-10	Sep-20		$37.00	Tax Base:	2010/11
		Part 44	9,372			(10/15)	$40.00	Operating Base:	2010
			14,497					Electric:	SM + 105%
								Free Rent:	None
								Work letter:	None
14	Direct Access Partners	Part 42	9,372	Jan-10	Dec-19		$33.00	Tax Base:	2010
			4,247			(03/15)	$36.00	Operating Base:	2010
			13,619					Electric:	SM + 105%
								Free Rent:	None
								Work letter:	None
15	John Carris Investment	Part 17	12,797	Aug-11	Jul-21		$21.29	Tax Base:	2011/12
						(04/12)	$33.00	Operating Base:	2011
						(03/17)	$34.94	Electric:	SM + 105%
						(04/17)	$36.00	Free Rent:	3 Mos.
								Work letter:	None

40 WALL STREET
OFFICE LEASES (Continued)

No.	Tenant	Floors	Area (SF)	Begin Date	End Date	Yr/Rent	Base Year/Concessions
16	ICF Consulting Group	Part 34	12,562	Apr-11	Jun-21	$34.00 (07/16) $37.00	Tax Base: 2011 Operating Base: 2011 Electric: SM + 105% Free Rent: 3 Mos. Work letter: None
17	SS&C Technologies Holdings	Part 15	12,066	Sep-11	Oct-22	$28.00 (09/16) $32.00	Tax Base: 2011/12 Operating Base: 2011 Electric: SM + 105% Free Rent: 8 Mos. Work letter: None
18	Mercer Capital Ltd	Part 31	9,541	Jan-05	Apr-15	$32.00 (05/12) $34.00	Tax Base: 2005 Operating Base: 2005 Electric: SM + 105% Free Rent: None Work letter: None
19	RG Michals	Part 46	9,372	Jun-11	Aug-21	$33.13 (09/16) $35.96	Tax Base: 2011/12 Operating Base: 2011 Electric: SM + 105% Free Rent: 4 Mos. Work letter: None
20	Brokerage Management Corp.	Part 48	9,263	Jul-10	Jul-22	$40.00 (07/17) $43.00	Tax Base: 2010/11 Operating Base: 2010/11 Electric: SM + 105% Free Rent: None Work letter: None
21	American Precious Metal	Entire 50	9,248	Sep-11	Jan-22	$37.00 (02/15) $40.00 (02/19) $43.00	Tax Base: 2011/12 Operating Base: 2012 Electric: SM + 103% Free Rent: 3 Mos. Work letter: None
22	Hilton Hotels Corporation	Entire 41	8,878	Jul-03	Jun-13	$36.00	Tax Base: 2002/03 Operating Base: 2003 Electric: SM + 105% Free Rent: None Work letter: None
23	Freedom Holdings Group	Entire 45	8,870	Mar-09	Feb-19	$55.00 (03/12) $57.00 (03/15) $59.00	Tax Base: 2008/09 Operating Base: 2008/09 Electric: SM + 105% Free Rent: None Work letter: None
24	Euroclear Bank S.A.	Entire 39	8,313	Feb-08	Jul-18	$57.00 (08/14) $59.00	Tax Base: 2008/09 Operating Base: 2008 Electric: SM + 105% Free Rent: None Work letter: None
25	Solomon,Pearl,Blum	Entire 35	8,288	Sep-00	Jul-20	$32.00 (09/15) $35.00	Tax Base: 2010/11 Operating Base: 2010 Electric: SM + 105% Free Rent: 5 Mos. Work letter: None
26	Bureau Van DIJK	Part 27	7,987	Feb-11	Jun-18	$33.00 (12/13) $33.58 (01/14) $36.00 (06/16) $36.40 (07/16) $39.00	Tax Base: 2010/11 Operating Base: 2011 Electric: SM + 105% Free Rent: None Work letter: None
27	Infinitel Communications Inc.	Entire 59	7,900	Nov-09	Apr-19	$41.00 (12/14) $43.00 (12/17) $45.00	Tax Base: 2010 Operating Base: 2010 Electric: SM + 105% Free Rent: None Work letter: None

40 WALL STREET OFFICE LEASES (Continued)							
No.	Tenant	Floors	Area (SF)	Begin Date	End Date	Yr/Rent	Base Year/Concessions
28	Star Alliance Trading Group	Part 5	7,500	Sep-09	Dec-14	$32.00	Tax Base: 2010 Operating Base: 2010 Electric: SM + 105% Free Rent: None Work letter: None
29	Baytree Associates	Entire 58	7,461	May-97	Apr-12	$55.30	Tax Base: 2007/08 Operating Base: 2007 Electric: SM + 105% Free Rent: None Work letter: None
30	Xcitek Solutions	Part 5	6,288	Jun-10	Oct-20	$32.00 (11/16) $35.00	Tax Base: 2010/11 Operating Base: 2010/11 Electric: SM + 105% Free Rent: None Work letter: None
31	Zaremba Brownell & Brown	Part 27	3,954	Feb-10	Jan-25	$35.00 (12/15) $38.00 (12/20) $41.00	Tax Base: 2010 Operating Base: 2010 Electric: SM + 105% Free Rent: None Work letter: None
		Part 27	2,106	Jul-11	Jan-25	$12.83 (05/12) $35.00 (05/17) $38.00 (05/22) $41.00	Tax Base: 2011 Operating Base: 2011 Electric: SM + 105% Free Rent: 6 Mos. Work letter: None
32	Core Staffing Services	Part 16	5,845	May-10	Sep-17	$32.00 (12/13) $35.00	Tax Base: 2010/11 Operating Base: 2010 Electric: SM + 105% Free Rent: None Work letter: None
33	Rosabianca & Associates	Part 30	5,433	Nov-11	Feb-19	$40.25 (03/15) $44.17	Tax Base: 2012 Operating Base: 2012 Electric: None Free Rent: None Work letter: None
34	Trump University LLC	Part 33	5,315	Nov-05	Oct-15	$42.00 (11/13) $45.00	Tax Base: 2005 Operating Base: 2005 Electric: SM + 105% Free Rent: None Work letter: None
35	NYG Capital LLC	Part 38	5,310	Jan-10	Sep-15	$34.00	Tax Base: 2010 Operating Base: 2010 Electric: SM + 105% Free Rent: None Work letter: None
36	Topeka Capital Markets	Part 17	4,905	Feb-11	Jun-21	$33.00 (06/16) $35.00 (07/16) $36.00	Tax Base: 2010/11 Operating Base: 2011 Electric: SM + 105% Free Rent: None Work letter: None
37	Jaskim Inc.	Part 17	4,808	Dec-09	Jul-20	$35.00 (09/15) $38.00	Tax Base: 2010 Operating Base: 2010 Electric: SM + 105% Free Rent: None Work letter: None
38	Clancy Financial Services	Part 30	4,384	Feb-10	Feb-17	$34.00 (09/13) $38.00	Tax Base: 2009/10 Operating Base: 2010 Electric: SM + 105% Free Rent: None Work letter: None

No.	Tenant	Floors	Area (SF)	Begin Date	End Date	Yr/Rent	Base Year/Concessions
	40 WALL STREET OFFICE LEASES (Continued)						
39	Relavis Corporation	Part 33	4,132	Aug-06	Feb-12	$36.00	Tax Base: 2006/07 Operating Base: 2006 Electric: SM + 105% Free Rent: None Work letter: None
40	Lane MC Viker LLC	Part 30	3,728	Aug-11	Jun-17	$34.50 (08/14) $37.50	Tax Base: 2011/12 Operating Base: 2011 Electric: SM + 105% Free Rent: None Work letter: None
41	Rosensteel Law	Part 33	3,689	Jan-12	Dec-16	(04/12) $35.25	Tax Base: 2012/13 Operating Base: 2012 Electric: None Free Rent: None Work letter: None
42	Prodigy	Part 31	3,616	Nov-11	Oct-21	$38.25 (11/16) $42.25	Tax Base: 2011 Operating Base: None Electric: SM + 105% Free Rent: None Work letter: None
43	Rosen Greenberg Blaha LLP	Part 32	3,450	Jan-10	Feb-15	$40.00 (01/12) $42.00 (01/13) $45.00	Tax Base: 2010/11 Operating Base: 2010 Electric: SM + 105% Free Rent: None Work letter: None
44	RCL Advisors	Entire 63	3,416	May-07	Apr-17	$64.00 (01/14) $67.00	Tax Base: 2007 Operating Base: 2007 Electric: SM + 105% Free Rent: None Work letter: None
45	United Advisors	Part 17	3,412	Jun-11	May-16	$33.50	Tax Base: 2011/12 Operating Base: 2011 Electric: SM + 105% Free Rent: None Work letter: None
46	Banif Securities	Part 33	2,947	Sep-02	Aug-12	$50.00	Tax Base: 2007/08 Operating Base: 2007 Electric: SM + 105% Free Rent: None Work letter: None
47	UBS Financial Services	Part 32	2,682	Mar-99	Feb-14	$36.00	Tax Base: 2004/05 Operating Base: 2004 Electric: SM + 105% Free Rent: None Work letter: None
48	Murphy & O' Connell	Part 33	2,525	Jan-06	Apr-14	$27.04	Tax Base: 2008/09 Operating Base: 2008 Electric: SM + 105% Free Rent: None Work letter: None
49	Oakwood Asset Management LLC	Part 38	2,086	Jan-10	Mar-15	$33.00	Tax Base: 2010 Operating Base: 2010 Electric: SM + 105% Free Rent: None Work letter: None
50	Pyne Companies Ltd	Entire 62	1,972	Dec-98	Jan-12	$28.00	Tax Base: 1998/99 Operating Base: 1999 Electric: SM + 108% Free Rent: None Work letter: None

The subject property's office base rents average $31.95 per square foot, gross. The adjusted comparable rentals range from $32.41 to $56.25 with an average of $40.46 per square foot, gross. The most recent leases signed in the subject building, exhibited in the previous page chart, range from from $25.00 to $40.25 per square foot, gross. The majority of the recent leases are near market. 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 mid $30's per square foot. This results in a range of market rent for 40 Wall Street of $32 to $44 per square foot for new leases which has been distributed by floor level as follows:

OFFICE MARKET RENT	
FLOORS	RENT/SF
3 to 22	$32.00
23 to 33	$34.00
34 to 49	$40.00
50 to 63	$44.00

The above estimated market rents assume the following concession package.

LARGE 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

SMALL OFFICE TENANTS				
TITLE	FREE RENT		TENANT IMPROVEMENTS	
New Leases	Year 1	10 months	Year 1	$45.00
	Thereafter	10 months	Thereafter	$45.00
Renewing Leases	Year 1	5 months	Year 1	$22.50
	Thereafter	5 months	Thereafter	$22.50

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
2011 – 0%
Thereafter – 3%

We have assumed a growth rate of 3 percent beginning in 2012.

MARKET RENTAL RATE – RETAIL SPACE

The subject property is leased to four retail tenants that include Kenjo 40 Wall St Inc., Milk Street Café, Duane Reade and Sav Café Inc. Kenjo 40 Wall St Inc. leases 600± square feet and Milk Street Café leases 14,500± square feet along Wall Street side of the building, respectively. 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 four vacant retail spaces in the lobby and 2nd floor totaling 16,211± square feet available for lease. The retail space in the property prior to remeasurement totals 56,521± square feet. The tenant leases may be summarized as follows.

RETAIL CONTRACT RENT SUMMARY				
Tenant	Rent Roll Area/SF	Remeasured Area/SF	Contract Rent	Contract Rent/SF
Pine Street Frontage				
Duane Reade	5,273	5,273	$322,352	$61.13
Duane Reade	18,037	18,037	$1,102,648	$61.13
Total	23,310	23,310	$1,425,000	$61.13
Wall Street Frontage				
Milk Street Cafe	14,500	14,500	$625,000	$43.10
Kenjo 40 Wall St Inc.	600	565	$104,060	$173.43
Lobby				
To-Be-Leased	4,923	4,923	–	–
To-Be-Leased	791	791	–	–
2nd Floor				
To-Be-Leased	9,447	9,447	–	–
To-Be-Leased	1,050	1,050	–	–
Basement				
SAV Cafe Inc.	1,900	1,900	$12,000	$6.32
Total	56,521	56,486	$2,166,060	$53.74

Market rent for the retail space within the property has been estimated by analyzing **eight** 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		RENTAL 4	
ADDRESS	40 Wall Street	38 Broadway		181 Broadway		2 Gold Street		39 Broadway	
	B/w William & Nassau Sts.	B/w Morris St & Exhange A		B/w Cortlandt & Dey Streets		B/w Pine & Platt Streets		B/w Morris St & Exhange Al	
	New York City	New York City		New York City		New York City		New York City	
LEASE INFORMATION									
TENANT NAME		Kosher Pizza		Pret A Manger		Potbelly's		Duane Reade	
FRONTAGE		Broadway		Broadway		Gold Street		Broadway	
BEGINNING DATE	November 2011	August 2011		March 2011		January 2011		October 2010	
TERM		10		10		10		10	
LEASE TYPE	Gross	Gross		Gross		Gross		Gross	
TENANT SIZE		2,500	Grade	2,200	Grade	2,800	Grade	4,000	Grade
RENT PER SF		$38.00	1	$159.00	1	$125.00	1	$75.00	1
		% Inc./Yr.	2-10	% Inc./Yr.	2-10	% Inc./Yr.	2-10	% Inc./Yr.	2-10
FREE RENT(MONTHS)	6	6		6		6		6	
WORKLETTER (PSF)	$0.00	$0.00		$0.00		$0.00		$0.00	
ADJUSTMENTS									
RENT CONCESSIONS		$0.00		$0.00		$0.00		$0.00	
EFFECTIVE ADJUSTED RENT PER SF/GRADE LEVEL		$38.00		$159.00		$125.00		$75.00	
MONTHS FROM VALUE DATE		3		8		10		13	
TIME (MARKET CONDITIONS)		0.0%		0.0%		0.0%		0.0%	
TIME ADJUSTED RENT PER SF		$38.00		$159.00		$125.00		$75.00	
LOCATION		0%		0%		0%		0%	
QUALITY		0%		0%		0%		0%	
SIZE		0%		0%		0%		0%	
CORNER/FRONTAGE		25%		-10%		-10%		0%	
TOTAL ADJUSTMENT		25%		-10%		-10%		0%	
INDICATED RENT PER SF		$47.50		$143.10		$112.50		$75.00	

COMPARABLE RETAIL RENTS AND ADJUSTMENTS

	SUBJECT	RENTAL 5		RENTAL 6		RENTAL 7		RENTAL 8	
ADDRESS	40 Wall Street	30 Broad Street		5 Hanover Square		101 Maiden Lane		101 Maiden Lane	
	B/w William & Nassau Sts.	S/W/C of Exchange Place		B/w Beaver & Pearl Streets		N/W/C Pearl Street		N/W/C Pearl Street	
	New York City	New York City		New York City		New York City		New York City	
LEASE INFORMATION									
TENANT NAME		My Suit		H&R Block		Goodburger		Pret A Manger	
FRONTAGE		Broad St & Exchange Pl		Beaver Street		Maiden Lane & Pearl Street		Maiden Lane	
BEGINNING DATE	November 2011	July 2010		October 2009		October 2009		October 2009	
TERM		10		6		10		10	
LEASE TYPE	Gross	Gross		Gross		Gross		Gross	
TENANT SIZE		2,500	Grade	1,900	Grade	1,700	Grade	1,500	Grade
RENT PER SF		$133.00	1	$102.00	1	$170.00	1	$140.00	1
		% Inc./Yr.	2-10	% Inc./Yr.	2-6	% Inc./Yr.	2-10	% Inc./Yr.	2-10
FREE RENT(MONTHS)	6	6		6		6		6	
WORKLETTER (PSF)	$0.00	$0.00		$0.00		$0.00		$0.00	
ADJUSTMENTS									
RENT CONCESSIONS		$0.00		$0.00		$0.00		$0.00	
EFFECTIVE ADJUSTED RENT PER SF/GRADE LEVEL		$133.00		$102.00		$170.00		$140.00	
MONTHS FROM VALUE DATE		16		25		25		25	
TIME (MARKET CONDITIONS)		0.0%		0.0%		0.0%		0.0%	
TIME ADJUSTED RENT PER SF		$133.00		$102.00		$170.00		$140.00	
LOCATION		5%		5%		0%		0%	
QUALITY		10%		5%		0%		0%	
SIZE		0%		0%		0%		0%	
CORNER/FRONTAGE		-10%		0%		-10%		0%	
TOTAL ADJUSTMENT		5%		10%		-10%		0%	
INDICATED RENT PER SF		$139.65		$112.20		$153.00		$140.00	

RENTAL COMPARABLE NO. 1 involves a 2,500± square foot retail lease within 38 Broadway located between Morris Street and Exchange Alley. This lease was signed in August 2011 for a 10-year term. The initial base rent was $38.00 per square foot with subsequent increases. After adjusting for rent concessions (free rent and work letter), the equivalent rent is $38.00 per square foot.

In comparison to the subject property, an upward adjustment was required for corner/frontage. No other adjustments were required. The adjusted rent is $47.50 per square foot.

RENTAL COMPARABLE NO. 2 involves a 2,200± square foot retail lease within 181 Broadway located between Cortland and Dey Streets. This lease was signed in March 2011 for a 10-year term. The initial base rent was $159.00 per square foot with subsequent increases. After adjusting for rent concessions (free rent and work letter), the equivalent rent is $159.00 per square foot.

In comparison to the subject property, A downward adjustment was required for corner/frontage. No other adjustments were required. The adjusted rent is $143.10 per square foot.

RENTAL COMPARABLE NO. 3 involves a 2,800± square foot retail lease within 2 Gold Street located between Pine and Platt Streets This lease was signed in January 2011 for a 10-year term. The initial base rent was $125.00 per square foot with subsequent increases. After adjusting for rent concessions (free rent and work letter), the equivalent rent for the ground floor is $125.00 per square foot.

In comparison to the subject property, a downward adjustment was required for corner/frontage. No other adjustments were required. The adjusted rent is $112.50 per square foot.

RENTAL COMPARABLE NO. 4 involves a 4,000± square foot retail lease within 39 Broadway located between Morris Street and Exchange Alley. This lease was signed in October 2010 for a 10-year term. The initial base rent for the ground floor was $75.00 per square foot with subsequent increases. After adjusting for rent concessions (free rent and work letter), the equivalent rent for the ground floor is $75.00 per square foot.

In comparison to the subject property, no adjustments were required. The adjusted rent is $75.00 per square foot.

RENTAL COMPARABLE NO. 5 involves a 2,500± square foot retail lease within 30 Broad Street located on the southwest corner of Exchange Place. This lease was signed in July 2010 for a 10-year term. The initial base rent for the ground floor was $133.00 per square foot with subsequent increases. After adjusting for rent concessions (free rent and work letter), the equivalent rent for the ground floor is $133.00 per square foot.

In comparison to the subject property, an upward adjustment was required for location. An upward adjustment was required for quality. A downward adjustment was required for corner/frontage. No other adjustments were required. The adjusted rent is $139.65 per square foot.

RENTAL COMPARABLE NO. 6 involves a 1,900± square foot retail lease within 5 Hanover Square located between Beaver and Pearl Streets. This lease was signed in October 2009 for a 6-year term. The initial base rent was $102.00 per square foot with subsequent increases. After adjusting for rent concessions (free rent and work letter), the equivalent rent for the ground floor is $102.00 per square foot.

In comparison to the subject property, an upward adjustment was required for location. An upward adjustment was required for quality. No other adjustments were required. The adjusted rent is $112.20 per square foot.

RENTAL COMPARABLE NO. 7 involves a 1,700± square foot retail lease within 101 Maiden Lane located northwest corner of Pearl Street. This lease was signed in October 2009 for a 10-year term. The initial base rent was $170.00 per square foot with subsequent increases. After adjusting for rent concessions (free rent and work letter), the equivalent rent for the ground floor is $170.00 per square foot.

In comparison to the subject property, a downward adjustment was required for corner/frontage. No other adjustments were required. The adjusted rent is $153.00 per square foot.

RENTAL COMPARABLE NO. 8 involves a 1,500± square foot retail lease within 101 Maiden Lane located northwest corner of Pearl Street. This lease was signed in October 2009 for a 10-year term. The initial base rent was $140.00 per square foot with subsequent increases. After adjusting for rent concessions (free rent and work letter), the equivalent rent for the ground floor is $140.00 per square foot.

In comparison to the subject property, no adjustments were required. The adjusted rent is $140.00 per square foot.

The comparable retail leases, exhibited on the **previous pages**, range from $38.00 to $159.00 per square foot before adjustments. After adjustment to the comparables, a range of $47.50 to $143.10 per square foot gross was revealed.

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)	Begin Date	End Date	Yr/Rent		Base Year/Concessions	
1	Duane Reade	Part Grade	5,273	Jun-10	Dec-32		$3.94	Tax Base:	2010/11
			18,037			(01/12)	$61.13	Operating Base:	None
			23,310			(12/12)	$61.53	Electric:	None
						(01/17)	$67.25	Free Rent:	None
						(12/21)	$67.68	Work letter:	None
						(01/22)	$73.97		
						(12/26)	$74.45		
						(01/27)	$81.37		
						(12/32)	$76.12		
2	Milk Street Cafe	Part Grade	14,500	Sep-10	Jan-26		$6.26	Tax Base:	2010/11
						(01/12)	$21.55	Operating Base:	None
						(07/12)	$43.10	Electric:	None
						(07/16)	$47.41	Free Rent:	None
						(07/21)	$52.16	Work letter:	None
3	Sav Cafe Inc.	Part Bsmt	1,900	Apr-97	Nov-11		$6.32	Tax Base:	1997/98
								Operating Base:	None
								Electric:	SM + 108%
								Free Rent:	None
								Work letter:	None
4	Kenjo 40 Wall Street Inc	Part Grade	600	Feb-98	Aug-13		$173.43	Tax Base:	1997/98
								Operating Base:	None
								Electric:	SM + 105%
								Free Rent:	None
								Work letter:	None

The lease with Duane Reade was recently signed and commences in June 2010 for a 20 year term. The Duane space contains 23,310± square feet on the grade 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 market.

The next retail tenant is Milk Street Café, which recently signed a 15 year lease for 14,500± square feet with frontage along Wall Street. The lease commences in September 2010 with a starting contract rent of $43.10 per square foot with subsequent increases. This retail space has somewhat limited exposure on Wall Street.

The remaining leases are with Kenjo 40 Wall St Inc. and Sav Café Inc. Kenjo 40 Wall St Inc.who pays currently $173.43 per square foot, for 600± square feet on the grade with frontage on Wall Street. The Kenjo 40 Wall St Inc. is a 15 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 $6.32 per square foot.

RETAIL MARKET RENTAL RATE CONCLUSION

The retail leases within the subject range from $43.10 to $173.43 per square foot on the grade level. The adjusted comparable rentals range from $47.50 to $143.10 per square foot. The existing retail leases commenced between April 1997 and September 2010. Overall, we believe the average retail rents in the subject property are below market.

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

RETAIL MARKET RENT SUMMARY					
Tenant	Remeasured Area/SF		Market Rent/SF		Total Rent
Pine Street Frontage					
Duane Reade	5,273	@	$60.00	=	$316,380
Duane Reade	18,037	@	$60.00		$1,082,220
Total	23,310	@	$60.00	=	$1,398,600
Wall Street Frontage					
Milk Street Cafe	14,500	@	$65.00	=	$942,500
Kenjo 40 Wall St Inc.	565	@	$150.00	=	$84,750
Lobby					
To-Be-Leased	4,923	@	$40.00	=	$196,920
To-Be-Leased	791	@	$40.00	=	$31,640
2nd Floor					
To-Be-Leased	9,447	@	$35.00	=	$330,645
To-Be-Leased	1,050	@	$35.00	=	$36,750
Basement					
SAV Cafe Inc.	1,900	@	$10.00	=	$19,000
Total	56,486	@	$53.83		$3,040,805

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 $150 per square foot for small ground floor retail space and $65 per square foot for large ground floor retail space along Wall Street. Market rent for the retail space along Pine Street is $60 per square foot. Market rent for the second floor retail space is estimated at $35 per square foot. Market rent for the lobby retail space is estimated at $40 per square foot. Market rent for the basement retail space is estimated at $10 per square foot. A summary of the market rents is provided in the following table.

RETAIL MARKET RENT	
TYPE SPACE	RENT/SF
Wall Street Frontage-Small	$150.00/sf
Wall Street Frontage-Large	$65.00/sf
Pine Street Frontage	$60.00/sf
Second Floor	$35.00/sf
Lobby	$40.00/sf
Basement	$10.00/sf

The above 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 upper floors of the building. The property contains 34,570± square feet of storage space. There are five vacant storage spaces in the basement totaling 9,450± 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 $15.00 per square foot. We have assigned a market rent to the storage space of $10.00 per square foot gross in our cash flow projection.

STORAGE MARKET RENT	
TYPE SPACE	RENT/SF
Storage Space	$10.00/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 20,000 square feet) and minor office tenants (defined as tenant spaces less than 20,000 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 $45.00 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 24 vacant office spaces within the property totaling 290,057± square feet. In addition, there are four vacant retail spaces on the ground floor and second floor totaling 16,211± square feet and six vacant storage spaces in the basement totaling 14,147± square feet available for lease. In our analysis, we have assumed that the vacant space will be leased by November 2013. 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 eight office buildings are directly competitive with the subject property.

DIRECTLY COMPETITIVE BUILDINGS

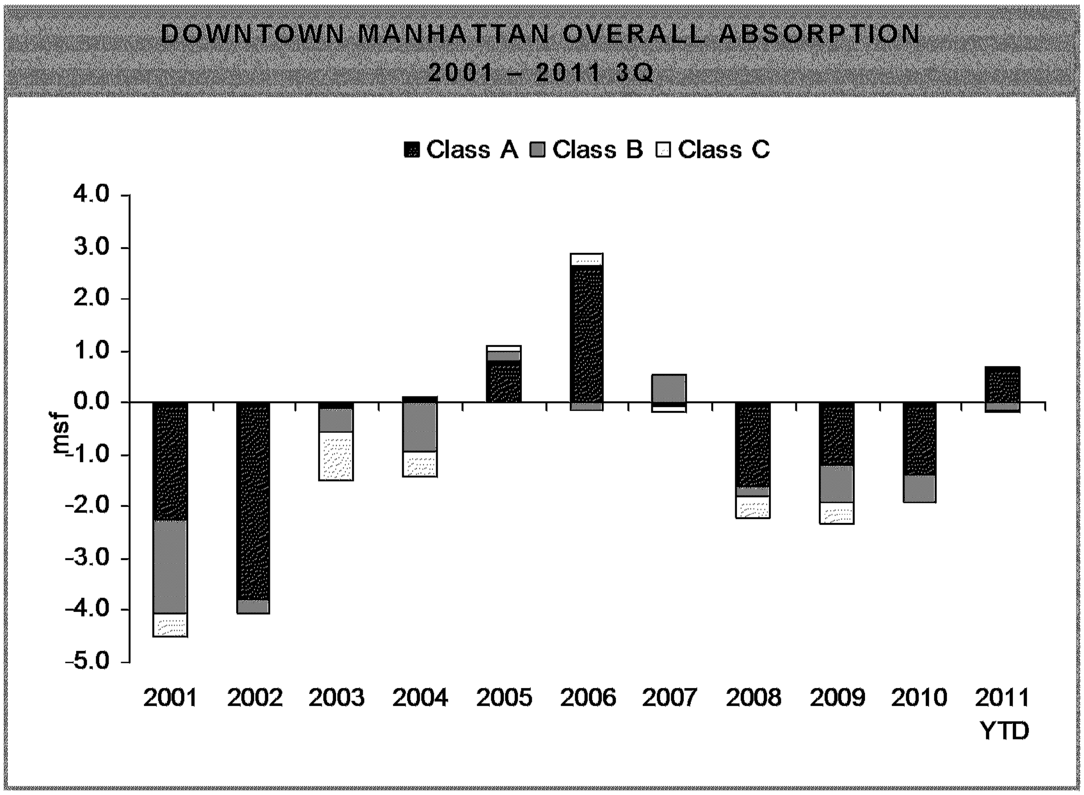
	Property (Cross Streets)	Office Area (NRA)	Direct Avail. SF	Sublease Avail SF	% Occupied (Direct)	% Occupied (Total)	Direct Asking Rent Low	Direct Asking Rent High
1	120 Broadway	1,916,700	167,144	14,483	91.28%	90.52%	$34.00	$38.00
2	One Chase Manhattan	1,898,158	0	0	100.00%	100.00%	N/A	N/A
3	One New York Plaza	2,103,750	613,519	0	70.84%	70.84%	$50.00	$50.00
4	Two New York Plaza	1,345,919	60,296	77,780	95.52%	89.74%	$39.00	$39.00
5	88 Pine Street	624,000	38,108	7,358	93.89%	92.71%	$40.00	$42.00
6	One State Street Plaza	747,000	64,030	49,549	91.43%	84.80%	$42.00	$52.00
7	180 Maiden Lane	982,089	27,197	0	97.23%	97.23%	$45.00	$45.00
8	100 Wall Street	457,622	119,960	9,441	73.79%	71.72%	$36.00	$41.00
	TOTAL	10,075,238	1,090,254	158,611				
	AVERAGE	1,259,405	136,282	19,826	89.18%	87.60%	$34.00	$52.00

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 90 percent. This is consistent with the implied overall occupancy rate of the subject property over the holding period of 90.69 percent, which includes vacancy and collection loss and downtime between leases. The effect of new construction and new competition on the subject property is negligible as reflected in the fact that very little new construction of office buildings is currently underway in Midtown Manhattan. This lack of new construction means that very little new construction will be completed within three years of the effective date of this appraisal.

As indicated in our Demand section within the Downtown Office Market Analysis (p.24) Cushman & Wakefield's office market forecasts an undersupply of office space in the time period 2011 to 2015 with the overall vacancy rate near equilibrium at approximately 7.9 percent.

DOWNTOWN LEASING ACTIVITY

The leasing activity in lower Manhattan totaled approximately 5.7 million square feet, year-to-date, more than two times the activity leased in third quarter 2010. Class A activity accounted for 72 percent of all new leasing in the third quarter. The two largest transactions of the quarter were: Oppenheimer & Co.'s lease of 269,000 square feet at 85 Broad Street and MSCI Inc.'s lease for 125,811 square feet at Seven World Trade Center.



Lease up Assumptions

In our analysis, we have assumed that the 320,416± square feet of vacant space is leased over a 24 month absorption period from November 2011. This results in an absorption rate of 13,351± square feet per month or 40,052± square feet per quarter, which is generally consistent with opinioins 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			
SPACE	SUITE	START OF LEASE	SQUARE FEET
Bsmt	Bsmt	Feb-12	804
Bsmt	Bsmt	Feb-12	2,640
Bsmt	Bsmt	Feb-12	1,683
Bsmt	Bsmt	Feb-12	2,640
Bsmt	Bsmt	Feb-12	1,683
Grade	Grade	Feb-12	4,923
Grade	Grade	Feb-12	791
2 nd Floor Office	202	Feb-12	9,447
2 nd Floor Office	203	Feb-12	1,050
3 rd Floor Office	302	Feb-12	22,646
4 th Floor Office	401	May-12	28,153
4 th Floor Office	402	May-12	274
6 th Floor Office	600	Aug-12	36,921
15 th Floor Office	1503	Aug-12	8,846
16 th Floor Office	1602	Nov-12	5,772
17 th Floor Office	1701	Nov-12	6,765
21 st Floor Office	2100	Nov-12	27,288
22 nd Floor Office	2200	Feb-13	27,250
23 rd Floor Office	2301	Feb-13	5,513
25 th Floor Office	2505	Feb-13	4,698
26 th Floor Office	2600	May-13	15,353
27 th Floor Office	2704	May-13	1,377
40 th Floor Office	4000	May-13	9,317
47 th Floor Office	4700	May-13	9,372
49 th Floor Office	4900	Aug-13	9,263
51 st Floor Office	5100	Aug-13	9,248
52 nd Floor Office	5200	Aug-13	9,248
53 rd Floor Office	5300	Aug-13	9,248
54 th Floor Office	5400	Aug-13	9,248
55 th Floor Office	5500	Nov-13	9,248
56 th Floor Office	5600	Nov-13	9,248
57 th Floor Office	5700	Nov-13	8,025
60 th Floor Office	6000	Nov-13	6,191
61 st Floor Office	6100	Nov-13	6,243
Total			**320,416**

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 5.00 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 14-year holding period is 93.69 percent. Including our overall vacancy/global credit loss allowance estimated at 5.00 percent for all tenants, the implied overall occupancy rate of the subject property over the holding period is 88.69 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 2008, 2009 and 2010; and budgeted expenses for 2011 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 2008		Actual CY 2009		Actual CY 2010	
	Total	Per SF	Total	Per SF	Total	Per SF
POTENTIAL GROSS REVENUE						
Base Rental Revenue	$31,296,235	$26.48	$26,875,182	$22.74	$24,485,121	$17.83
Base Rent Abatements	0	0.00	0	0.00	0	0.00
Real Estate Taxes	2,749,131	2.33	2,102,196	1.78	1,684,071	1.43
Operating Expenses	3,749,701	3.17	3,439,887	2.91	1,707,061	1.44
Tenant Electric	1,703,914	1.44	1,149,458	0.97	862,152	0.73
Sublease Profit	0	0.00	0	0.00	0	0.00
Other Income	1,428,166	1.21	1,080,624	0.91	306,313	0.21
TOTAL POTENTIAL GROSS REVENUE	$40,927,147	$34.63	$34,647,347	$29.32	$25,183,244	$20.98
Vacancy and Collection Loss	0	0.00	0	0.00	0	0.00
EFFECTIVE GROSS REVENUE	$40,927,147	$34.63	$34,647,347	$29.32	$25,183,244	$20.98
					$28,738,405	
OPERATING EXPENSES						
Payroll and Cleaning	$3,866,052	$3.27	$2,950,312	$2.50	$2,804,343	$2.37
Security	845,353	0.72	842,724	0.71	797,086	0.67
Repairs and Maintenance	2,759,093	2.33	2,018,054	1.71	2,123,642	1.80
Utilities	4,531,234	3.83	2,557,775	2.16	2,210,160	1.87
Casualty, Liability and Terrorism Insurance	1,188,591	1.01	1,043,125	0.88	1,245,231	1.05
Management Fee	100,000	0.08	100,000	0.08	888,219	0.75
General and Administrative	940,698	0.80	314,957	0.27	415,333	0.35
Miscellaneous	249,919	0.21	101,462	0.09	104,096	0.09
Sub Total	$14,480,940	$12.25	$9,928,409	$8.40	$10,588,110	$8.96
Ground Rent	$1,500,000	1.27	$1,500,000	1.27	$1,500,000	1.27
Real Estate Taxes	5,320,389	4.50	6,211,014	5.26	6,581,440	5.57
TOTAL EXPENSES	$21,301,329	$18.03	$17,639,423	$14.93	$18,669,550	$15.80
NET OPERATING INCOME	$19,625,818	$16.61	$17,007,924	$14.39	$6,513,694	$5.51
CAPITAL EXPENDITURES						
Tenant Improvements	$0	$0.00	$0	$0.00	$0	$0.00
Leasing Commissions	0	0.00	0	0.00	0	0.00
Capital Improvements	0	0.00	0	0.00	0	0.00
Capital Reserves	0	0.00	0	0.00	0	0.00
TOTAL CAPITAL EXPENDITURES	$0	$0.00	$0	$0.00	$0	$0.00
CASH FLOW BEFORE DEBT SERVICE	$19,625,818	$16.61	$17,007,924	$14.39	$6,513,694	$5.51
Net Rentable Area:	1,181,691	Square Feet				

REVENUE AND EXPENSE ANALYSIS (CONTINUED)	Budget CY 2011		Budget Comparison		C&W Forecast CY 2011	
	Total	Per SF	Total	PSF	Total	Per SF
POTENTIAL GROSS REVENUE						
Base Rental Revenue	$21,010,223	$17.83	$5,728,872	$4.85	$26,739,095	$22.63
Base Rent Abatements	0	0.00	(2,938,869)	(2.49)	(2,938,869)	(2.49)
Real Estate Taxes	1,445,893	1.20	(224,530)	(0.19)	1,221,363	1.03
Operating Expenses	1,465,821	1.09	(1,075,582)	(0.91)	390,239	0.33
Tenant Electric	767,900	0.00	(79,118)	(0.07)	688,782	0.58
Sublease Profit	241,247	0.64	0	0.00	241,247	0.20
Other Income	252,160	0.21	0	0.00	252,160	0.21
TOTAL POTENTIAL GROSS REVENUE	$25,183,244	$20.98	$1,410,773	$1.19	$26,594,017	$22.51
Vacancy and Collection Loss	0	0.00	(1,329,701)	(1.13)	(1,329,701)	(1.13)
EFFECTIVE GROSS REVENUE	$25,183,244	$20.98	$81,072	$0.07	$25,264,316	$21.38
OPERATING EXPENSES						
Payroll and Cleaning	$1,809,000	$1.53	$0	$0.00	$1,809,000	$1.53
Security	693,900	0.59	0	0.00	693,900	0.59
Repairs and Maintenance	1,597,100	1.35	0	0.00	1,597,100	1.35
Utilities	3,188,000	2.70	0	0.00	3,188,000	2.70
Casualty, Liability and Terrorism Insurance	62,446	0.05	0	0.00	62,446	0.05
Management Fee	100,000	0.08	254,507	0.22	354,507	0.30
General and Administrative	2,137,725	1.81	0	0.00	2,137,725	1.81
Miscellaneous	152,800	0.13	0	0.00	152,800	0.13
Sub Total	$9,740,971	$8.24	$254,507	$0.22	$9,995,478	$8.46
Ground Rent	$1,500,000	1.27	0	0.00	$1,500,000	1.27
Real Estate Taxes	7,706,000	6.52	(296,612)	(0.25)	7,409,388	6.27
TOTAL EXPENSES	$18,946,971	$16.03	($42,105)	($0.04)	$18,904,866	$16.00
NET OPERATING INCOME	$6,236,273	$5.28	$123,177	$0.10	$6,359,450	$5.38
CAPITAL EXPENDITURES						
Tenant Improvements	$0	$0.00	$5,861,135	$4.96	$5,861,135	$4.96
Leasing Commissions	0	0.00	2,305,699	1.95	2,305,699	1.95
Capital Improvements	1,800,000	1.52	0	0.00	1,800,000	1.52
Capital Reserves	0	0.00	118,169	0.10	118,169	0.10
TOTAL CAPITAL EXPENDITURES	$1,800,000	$1.52	$8,285,003	$7.01	$10,085,003	$8.53
CASH FLOW BEFORE DEBT SERVICE	$4,436,273	$3.75	($8,161,826)	($6.91)	($3,725,553)	($3.15)
Net Rentable Area:	1,181,691	Square Feet				

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 2011.

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 \$3,866,052 in 2008, \$2,950,312 in 2009 and \$2,804,343 in 2010. The 2011 budget is \$1,809,000. The 2011 budget is considered to be reasonable based on our analysis of comparable buildings that reflect costs ranging from \$1.49 to \$4.41 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 calendar year 2011 expense is \$1,809,000 or \$1.53 per square foot.
Security:	This expense includes costs related to service contracts for security and life safety maintenance. This expense was \$845,353 in 2008, \$842,724 in 2009 and \$797,086 in 2010. The 2011 budget is \$693,900. Competitive buildings reflects costs ranging from \$0.46 to \$3.35 per square foot. Our forecast of calendar year 2011 expense is \$693,900 or \$0.59 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 \$2,759,093 in 2008, \$2,018,054 in 2009 and \$2,123,642 in 2010. The 2011 budget is \$1,597,100. Competitive buildings reflect costs ranging from \$0.55 to \$3.79 per square foot. The higher end of this range reflects buildings that include the cost of other service contracts in this category. The subject property does not include building service contracts within this expense category. Our forecast of calendar year 2011 expense is \$1,597,100 or \$1.35 per square foot.

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 $4,531,234 in 2008, $2,557,775 in 2009 and $2,210,160 in 2010. The 2011 budget is $3,188,000, 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 $2.64 to $4.66 per square foot. Our forecast of calendar year 2011 expense is $3,188,000 or $2.70 per square foot.

Casualty, Liability and Terrorism Insurance: The federal terrorism insurance law signed by President Bush has had a positive effect on insurance costs. The federal terrorism insurance act was reauthorized in 2007 and expires in 2014. 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.

The insurance expense for 40 Wall Street was $1,188,591 in 2008, $1,043,125 in 2009 and $1,245,231 in 2010. The 2011 budget is $62,446, which includes property policy, general liability and umbrella policy, fire and extended liability coverage, and terrorism coverage. Competitive buildings reflect costs ranging from $0.21 to $0.55 per square foot. Our forecast of calendar year 2011 expense is $62,446 or $0.05 per square foot, which **includes terrorism insurance**.

Management Fee: The property owners currently act as managing agent for the property. Management fees were $100,000 in 2008, $100,000 in 2009 and $888,219 in 2010. The 2011 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 calendar year 2011 expense is $354,507 or $0.30 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 $940,698 in 2008, $314,957 in 2009 and $415,333 in 2010. The 2011 budget is $2,137,725. Competitive buildings reflect costs ranging from $0.10 to $0.43 per square foot. Our forecast of calendar year 2011 expense is $2,137,725 or $1.81 per square foot.
Miscellaneous:	This expense includes costs not included elsewhere. This expense was $249,919 in 2008, $101,462 in 2009 and $104,096 in 2010. The 2011 budget is $152,800. Competitive buildings reflect costs ranging from $0.01 to $0.45 per square foot. Our forecast of calendar year 2011 expense is $152,800 or $0.13 per square foot.
Ground Rent:	The ground rent payments total $1,500,000 or $1.27 per square foot. This represents our forecast of 2011 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 2011 real estate taxes including the ICIP tax exemption are projected to be $7,409,388 or $6.27 per square foot of rentable area ($6.98 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 $190,556. 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 calendar year 2011 are $9,995,478 or $8.46 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						
Property Name Year Built Rentable Area	44 Wall Street 1927/2006 336,758		100 Wall Street 1969 507,523		80 Broad Street 1935 419,343	
Source (Year)	Budget CY 2011		Budget CY 2011		Budget CY 2011	
	Annual Amount	Per SF	Annual Amount	Per SF	Annual Amount	Per SF
POTENTIAL GROSS REVENUE						
Base Rental Revenue	$7,374,160	$21.90	$16,914,635	$33.33	$10,328,727	$24.63
Base Rent Abatements	($1,079,906)	($3.21)	($1,529,823)	($3.01)	$0	$0.00
Real Estate Taxes	$437,314	$1.30	$215,123	$0.42	$524,083	$1.25
Operating Expenses	$327,563	$0.97	$109,427	$0.22	$414,480	$0.99
Tenant Electric	$1,054,806	$3.13	$1,317,443	$2.60	$723,859	$1.73
Sublease Profit	$0	$0.00	$0	$0.00	$0	$0.00
Other Income	$691,553	$2.05	$515,000	$1.01	$205,473	$0.49
TOTAL POTENTIAL GROSS REVENUE	$8,805,490	$26.15	$17,541,805	$34.56	$12,196,622	$29.09
Vacancy and Collection Loss	($581,301)	($1.73)	$0	$0.00	$0	$0.00
EFFECTIVE GROSS REVENUE	$8,224,189	$24.42	$17,541,805	$34.56	$12,196,622	$29.09
OPERATING EXPENSES						
Payroll and Cleaning	$501,721	$1.49	$1,280,546	$2.52	$1,430,417	$3.41
Security	$1,079,456	$3.21	$435,417	$0.86	$309,026	$0.74
Repairs and Maintenance	$215,051	$0.64	$818,000	$1.61	$238,150	$0.57
Utilities	$1,327,000	$3.94	$1,514,119	$2.98	$1,184,794	$2.83
Casualty, Liability and Terrorism Insurance	$130,936	$0.39	$228,529	$0.45	$140,000	$0.33
Management Fee	$246,726	$0.73	$152,257	$0.30	$145,000	$0.35
General and Administrative	$137,225	$0.41	$193,644	$0.38	$52,897	$0.13
Miscellaneous	$152,000	$0.45	$179,563	$0.35	$98,064	$0.23
Subtotal	$3,790,115	$11.25	$4,802,075	$9.46	$3,598,348	$8.58
Ground Rent	$0	$0.00	$0	$0.00	$0	$0.00
Real Estate Taxes	$1,865,477	$5.54	$3,413,703	$6.73	$2,192,129	$5.23
TOTAL EXPENSES	$5,655,592	$16.79	$8,215,778	$16.19	$5,790,477	$13.81
NET OPERATING INCOME	$2,568,597	$7.63	$9,326,027	$18.38	$6,406,145	$15.28
CAPITAL EXPENDITURES						
Tenant Improvements	$1,457,371	$4.33	$5,457,101	$10.75	$0	$0.00
Leasing Commissions	$1,185,744	$3.52	$2,991,902	$5.90	$0	$0.00
Capital Improvements	$413,299	$1.23	$0	$0.00	$0	$0.00
Capital Reserves	$65,514	$0.19	$0	$0.00	$0	$0.00
TOTAL CAPITAL EXPENDITURES	$3,121,928	$9.27	$8,449,003	$16.65	$0	$0.00
CASH FLOW BEFORE DEBT SERVICE	($553,331)	($1.64)	$877,024	$1.73	$6,406,145	$15.28

COMPARABLE OFFICE BUILDING EXPENSE ANALYSIS (CONTINUED)						
Property Name Year Built Rentable Area	61 Broadway 1917/1985 700,966		111-115 Broadway 1905/1907 928,166		88 Pine Street 1973 629,428	
Source (Year)	Budget CY 2010		Budget CY 2011		Budget CY 2011	
	Annual Amount	Per SF	Annual Amount	Per SF	Annual Amount	Per SF
POTENTIAL GROSS REVENUE						
Base Rental Revenue	$22,678,050	$32.35	$29,128,209	$31.38	$23,230,505	$36.91
Base Rent Abatements	($13,102)	($0.02)	($1,715,890)	($1.85)	($1,736,655)	($2.76)
Real Estate Taxes	$251,316	$0.36	$579,912	$0.62	$1,403,817	$2.23
Operating Expenses	$164,320	$0.23	$183,744	$0.20	$1,676,011	$2.66
Tenant Electric	$2,030,218	$2.90	$2,678,408	$2.89	$1,379,903	$2.19
Sublease Profit	$0	$0.00	$0	$0.00	$0	$0.00
Miscellaneous Income	$0	$0.00	$400,284	$0.43	$100,395	$0.16
TOTAL POTENTIAL GROSS REVENUE	$25,110,802	$35.82	$31,254,667	$33.67	$26,053,976	$41.39
Vacancy and Collection Loss	($1,255,540)	($1.79)	$0	$0.00	$0	$0.00
EFFECTIVE GROSS REVENUE	$23,855,262	$34.03	$31,254,667	$33.67	$26,053,976	$41.39
OPERATING EXPENSES						
Payroll and Cleaning	$2,100,000	$3.00	$3,783,638	$4.08	$1,979,782	$3.15
Security	$400,000	$0.57	$1,605,634	$1.73	$2,109,638	$3.35
Repairs and Maintenance	$2,653,315	$3.79	$566,904	$0.61	$345,748	$0.55
Utilities	$1,913,163	$2.73	$4,321,757	$4.66	$2,526,010	$4.01
Casualty, Liability and Terrorism Insurance	$150,000	$0.21	$350,600	$0.38	$200,000	$0.32
Management Fee	$477,105	$0.68	$628,256	$0.68	$141,000	$0.22
General and Administrative	$300,000	$0.43	$233,138	$0.25	$100,000	$0.16
Miscellaneous	$100,000	$0.14	$11,500	$0.01	$85,100	$0.14
Subtotal	$8,093,583	$11.55	$11,501,427	$12.39	$7,487,278	$11.90
Ground Rent	$0	$0.00	$0	$0.00	$75,000	$0.12
Real Estate Taxes	$3,385,398	$4.83	$4,143,475	$4.46	$4,935,162	$7.84
TOTAL EXPENSES	$11,478,981	$16.38	$15,644,902	$16.86	$12,497,440	$19.86
NET OPERATING INCOME	$12,376,281	$17.66	$15,609,765	$16.82	$13,556,536	$21.54
CAPITAL EXPENDITURES						
Tenant Improvements	$0	$0.00	$3,598,194	$3.88	$500,000	$0.79
Leasing Commissions	$0	$0.00	$984,490	$1.06	$1,145,000	$1.82
Capital Improvements	$0	$0.00	$3,000,000	$3.23	$0	$0.00
Capital Reserves	$0	$0.00	$0	$0.00	$0	$0.00
TOTAL CAPITAL EXPENDITURES	$0	$0.00	$7,582,684	$8.17	$1,645,000	$2.61
CASH FLOW BEFORE DEBT SERVICE	$12,376,281	$17.66	$8,027,081	$8.65	$11,911,536	$18.92

COMPARABLE OFFICE BUILDING EXPENSE ANALYSIS (CONTINUED)						
Property Name Year Built Rentable Area	4 New York Plaza 1968 1,085,272		160 Water Street 1970 488,862		5 Hanover Square 1962 333,594	
Source (Year)	Budget CY 2010		Budget CY 2010		Budget CY 2011	
	Annual Amount	Per SF	Annual Amount	Per SF	Annual Amount	Per SF
POTENTIAL GROSS REVENUE						
Base Rental Revenue	$19,479,901	$17.95	$13,415,975	$27.44	$10,687,736	$32.04
Base Rent Abatements	$0	$0.00	$0	$0.00	($944,856)	($2.83)
Real Estate Taxes	$1,308,520	$1.21	$400,000	$0.82	$201,931	$0.61
Operating Expenses	$1,723,652	$1.59	$484,372	$0.99	$25,894	$0.08
Tenant Electric	$2,535,508	$2.34	$692,500	$1.42	$783,320	$2.35
Sublease Profit	$0	$0.00	$0	$0.00	$0	$0.00
Miscellaneous Income	$0	$0.00	$0	$0.00	$95,133	$0.29
TOTAL POTENTIAL GROSS REVENUE	$25,047,581	$23.08	$14,992,847	$30.67	$10,849,158	$32.52
Vacancy and Collection Loss	($584,397)	($0.54)	$0	$0.00	($261,004)	($0.78)
EFFECTIVE GROSS REVENUE	$24,463,184	$22.54	$14,992,847	$30.67	$10,588,154	$31.74
OPERATING EXPENSES						
Payroll and Cleaning	$4,322,188	$3.98	$2,156,076	$4.41	$563,907	$1.69
Security	$499,225	$0.46	$316,800	$0.65	$804,921	$2.41
Repairs and Maintenance	$823,900	$0.76	$689,038	$1.41	$342,534	$1.03
Utilities	$4,717,702	$4.35	$1,289,963	$2.64	$1,011,481	$3.03
Casualty, Liability and Terrorism Insurance	$596,491	$0.55	$205,000	$0.42	$127,308	$0.38
Management Fee	$249,442	$0.23	$146,659	$0.30	$100,078	$0.30
General and Administrative	$108,453	$0.10	$134,232	$0.27	$115,978	$0.35
Miscellaneous	$162,679	$0.15	$3,000	$0.01	$114,742	$0.34
Subtotal	$11,480,080	$10.58	$4,940,768	$10.11	$3,180,949	$9.54
Ground Rent	$0	$0.00	$0	$0.00	$0	$0.00
Real Estate Taxes	$6,040,842	$5.57	$2,640,000	$5.40	$1,298,128	$3.89
TOTAL EXPENSES	$17,520,922	$16.14	$7,580,768	$15.51	$4,479,077	$13.43
NET OPERATING INCOME	$6,942,262	$6.40	$7,412,079	$15.16	$6,109,077	$18.31
CAPITAL EXPENDITURES						
Tenant Improvements	$0	$0.00	$0	$0.00	$2,009,423	$6.02
Leasing Commissions	$0	$0.00	$0	$0.00	$506,768	$1.52
Capital Improvements	$0	$0.00	$0	$0.00	$1,453,577	$4.36
Capital Reserves	$325,582	$0.30	$0	$0.00	$0	$0.00
TOTAL CAPITAL EXPENDITURES	$325,582	$0.30	$0	$0.00	$3,969,768	$11.90
CASH FLOW BEFORE DEBT SERVICE	$6,616,680	$6.10	$7,412,079	$15.16	$2,139,309	$6.41

COMPARABLE OFFICE BUILDING EXPENSE ANALYSIS (CONTINUED)						
Property Name	40 Wall Street (Subject)					
Year Built	1929/1995					
Rentable Area	1,181,691					
Source (Year)	Budget CY 2011		C&W Forecast CY 2011		Expense Comparables	
	Annual Amount	Per SF	Annual Amount	Per SF	Minimum Per SF	Maximum Per SF
POTENTIAL GROSS REVENUE						
Base Rental Revenue	$24,485,121	$20.72	$26,739,095	$22.63	$17.95	$36.91
Base Rent Abatements	$0	$0.00	($2,938,869)	($2.49)	($3.21)	$0.00
Real Estate Taxes	$1,684,071	$1.43	$1,221,363	$1.03	$0.36	$2.23
Operating Expenses	$1,707,061	$1.44	$390,239	$0.33	$0.08	$2.66
Tenant Electric	$862,152	$0.73	$688,782	$0.58	$1.42	$3.13
Sublease Profit	$0	$0.00	$241,247	$0.20	$0.00	$0.00
Miscellaneous Income	$306,313	$0.26	$252,160	$0.21	$0.00	$2.05
TOTAL POTENTIAL GROSS REVENUE	$29,044,718	$24.58	$26,594,017	$22.51	$23.08	$41.39
Vacancy and Collection Loss	$0	$0.00	($1,329,701)	($1.13)	($1.79)	$0.00
EFFECTIVE GROSS REVENUE	$29,044,718	$24.58	$25,264,316	$21.38	$22.54	$41.39
OPERATING EXPENSES						
Payroll and Cleaning	$2,804,343	$2.37	$1,809,000	$1.53	$1.49	$4.41
Security	$797,086	$0.67	$693,900	$0.59	$0.46	$3.35
Repairs and Maintenance	$2,123,642	$1.80	$1,597,100	$1.35	$0.55	$3.79
Utilities	$2,210,160	$1.87	$3,188,000	$2.70	$2.64	$4.66
Casualty, Liability and Terrorism Insurance	$1,245,231	$1.05	$62,446	$0.05	$0.21	$0.55
Management Fee	$888,219	$0.75	$354,507	$0.30	$0.22	$0.73
General and Administrative	$415,333	$0.35	$2,137,725	$1.81	$0.10	$0.43
Miscellaneous	$104,096	$0.09	$152,800	$0.13	$0.01	$0.45
Subtotal	$10,588,110	$8.96	$9,995,478	$8.46	$8.58	$12.39
Ground Rent	$1,500,000	$1.27	$1,500,000	$1.27	$0.00	$0.12
Real Estate Taxes	$6,581,440	$5.57	$7,409,388	$6.27	$3.89	$7.84
TOTAL EXPENSES	$18,669,550	$15.80	$18,904,866	$16.00	$13.43	$19.86
NET OPERATING INCOME	$10,375,168	$8.78	$6,359,450	$5.38	$6.40	$21.54
CAPITAL EXPENDITURES						
Tenant Improvements	$0	$0.00	$5,861,135	$4.96	$0.00	$10.75
Leasing Commissions	$0	$0.00	$2,305,699	$1.95	$0.00	$5.90
Capital Improvements	$0	$0.00	$1,800,000	$1.52	$0.00	$4.36
Capital Reserves	$0	$0.00	$118,169	$0.10	$0.00	$0.30
TOTAL CAPITAL EXPENDITURES	$0	$0.00	$10,085,003	$8.53	$0.00	$16.65
CASH FLOW BEFORE DEBT SERVICE	$10,375,168	$8.78	($3,725,553)	($3.15)	($1.64)	$18.92

The nine expense comparables reflect a range of $8.58 to $12.39 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 $8.46 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 NRA
44 Wall Street	1927/2006	336,758	Budget CY 2011	$11.25
100 Wall Street	1969	507,523	Budget CY 2011	$9.46
80 Broad Street	1935	419,343	Budget CY 2011	$8.58
61 Broadway	1917/1985	700,966	Budget CY 2010	$11.55
111-115 Broadway	1905/1907	928,166	Budget CY 2011	$12.39
88 Pine Street	1973	629,428	Budget CY 2011	$11.90
4 New York Plaza	1968	1,085,272	Budget CY 2010	$10.58
160 Water Street	1970	488,862	Budget CY 2010	$10.11
5 Hanover Square	1962	333,594	Budget CY 2011	$9.54

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 5.00 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 2011 projection of $118,169 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:	15 years
Holding Period:	14 years
Start Dates:	November 1, 2011 "As Is" November 1, 2014 "Prospective Market Value"
Reversion Year:	FY 2026 (15th fiscal year)
Vacancy & Collection Loss:	5.00% (average; applied to all tenants)
Consumer Price Index (CPI):	3.00%
Expense Growth Rate:	3.00%
Rates of Return	
Discount Rate:	8.50% (see Discount Rate Analysis)
Terminal Cap Rate:	7.00% (applied to reversion year net operating income)
Reversionary Sales Cost:	4.00% (includes brokerage, legal fees and estimated transfer taxes)
Indicated "As Is" Value:	$220,000,000
Indicated "Prospective" Value:	$270,000,000

LEASING ASSUMPTIONS	LARGE OFFICE TENANTS	SMALL OFFICE TENANTS	RETAIL TENANTS	STORAGE TENANTS
Market Rent per Square Foot	Floors 2-22 $32.00/sf; Floors 23-33 $34.00/sf; Floors 34-49 $40.00/sf; Floors 50-63 $44.00/sf	Floors 2-22 $32.00/sf; Floors 23-33 $34.00/sf; Floors 34-49 $40.00/sf; Floors 50-63 $44.00/sf	$150.00/sf (Small); $65.00/sf (Large); $60.00/sf (Pine Street); $35.00/sf (Second Floor); $10.00/sf (Basement)	$10.00/sf/sf
Market Rent Growth Rate:	3.00%	3.00%	3.00%	3.00%
Lease Term (years):	15	10	10	10
Free Rent (months)				
New Leases:	12	10	6	6
Renewals:	6	5	3	3
Downtime Between Leases (months):	8	8	8	8
	Downtime between leases is prior to renewal probability of 65.00%; effective vacancy is 3 months.			
Renewal Probability:	65.00%	65.00%	65.00%	65.00%
Capital Expenditures:				
Tenant Improvements ($/SF)				
New Leases:	$50.00	$45.00	None	None
Renewals:	$25.00	$22.50	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 15-year cash flow projection, which includes our 14-year holding period and 15-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.

40 Wall Street
Market Value "As Is" on November 1, 2011
Cash Flow Analysis

	YEAR 1 FY 2012	YEAR 2 FY 2013	YEAR 3 FY 2014	YEAR 4 FY 2015	YEAR 5 FY 2016	YEAR 6 FY 2017	YEAR 7 FY 2018	YEAR 8 FY 2019	YEAR 9 FY 2020	YEAR 10 FY 2021	YEAR 11 FY 2022	YEAR 12 FY 2023	YEAR 13 FY 2024	YEAR 14 FY 2025	YEAR 15 FY 2026
POTENTIAL GROSS INCOME															
Base Rental Revenue	$26,739,095	$35,087,111	$39,087,425	$40,654,805	$41,076,004	$41,766,559	$42,747,296	$43,627,450	$44,135,730	$43,922,136	$46,471,798	$49,299,491	$51,785,999	$52,830,954	$53,724,832
Base Rent Abatements	($2,938,869)	($5,377,922)	($5,556,828)	($2,253,036)	($587,196)	($1,075,356)	($1,674,188)	($909,245)	($622,136)	($2,124,470)	($6,125,598)	($3,707,543)	($3,951,441)	($427,521)	($1,344,612)
BASE RENTAL INCOME	$23,800,226	$29,709,189	$33,530,597	$38,401,769	$40,488,808	$40,691,203	$41,073,108	$42,718,205	$43,513,594	$41,797,666	$40,346,200	$45,591,948	$47,834,558	$52,403,433	$52,380,220
Real Estate Taxes	$1,221,363	$1,378,498	$1,353,800	$1,510,418	$2,025,958	$2,337,315	$2,416,407	$2,598,315	$2,821,656	$2,757,157	$2,360,768	$2,213,290	$2,186,510	$2,482,875	$2,712,739
Operating Expenses	$390,239	$595,728	$591,120	$715,743	$1,019,208	$1,274,982	$1,595,320	$1,969,384	$2,341,047	$2,477,661	$2,169,713	$2,230,585	$2,297,872	$2,784,580	$3,120,541
Tenant Electric	$688,782	$705,448	$723,142	$745,152	$767,527	$792,713	$816,370	$839,607	$867,279	$893,027	$922,142	$953,356	$979,474	$1,008,893	$1,046,189
TOTAL REIMBURSEMENT REVENUE	$2,300,384	$2,679,674	$2,668,062	$2,971,313	$3,812,693	$4,405,010	$4,828,097	$5,407,306	$6,029,982	$6,127,845	$5,452,623	$5,397,231	$5,463,856	$6,276,348	$6,879,469
Add: Other Income	$252,160	$259,725	$267,517	$275,542	$283,808	$292,323	$301,092	$310,125	$319,429	$329,011	$338,882	$349,048	$359,520	$370,305	$381,414
Add: Sublease Profit	$241,247	$224,299	$212,491	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
POTENTIAL GROSS INCOME	$26,594,017	$32,872,887	$36,678,667	$41,648,624	$44,585,309	$45,388,536	$46,202,297	$48,435,636	$49,863,005	$48,254,522	$46,137,705	$51,338,227	$53,657,934	$59,050,086	$59,641,103
Less: Vacancy & Collection Loss	($1,329,701)	($1,643,644)	($1,833,933)	($2,082,431)	($2,229,265)	($2,269,427)	($2,310,115)	($2,421,782)	($2,493,150)	($2,412,726)	($2,306,885)	($2,566,911)	($2,682,897)	($2,952,504)	($2,982,055)
EFFECTIVE GROSS INCOME	$25,264,316	$31,229,243	$34,844,734	$39,566,193	$42,356,044	$43,119,109	$43,892,182	$46,013,854	$47,369,855	$45,841,796	$43,830,820	$48,771,316	$50,975,037	$56,097,582	$56,659,048
OPERATING EXPENSES															
Real Estate Taxes	$7,409,388	$7,683,754	$8,253,994	$8,834,949	$9,426,779	$9,871,315	$10,167,454	$10,472,478	$10,786,652	$11,110,251	$11,443,559	$11,786,866	$12,140,472	$12,504,686	$12,879,827
Operating Expenses	$9,995,478	$10,295,343	$10,604,204	$10,922,329	$11,249,998	$11,587,498	$11,935,123	$12,293,178	$12,661,973	$13,041,832	$13,433,087	$13,836,081	$14,251,163	$14,678,696	$15,119,058
Ground Rent	$1,500,000	$1,587,500	$1,650,000	$1,650,000	$1,650,000	$1,650,000	$1,650,000	$1,746,250	$1,815,000	$2,101,629	$2,306,364	$2,306,364	$2,306,364	$2,446,441	$2,546,496
TOTAL OPERATING EXPENSES	$18,904,866	$19,566,597	$20,508,198	$21,407,278	$22,326,777	$23,108,813	$23,752,577	$24,511,906	$25,263,625	$26,253,712	$27,183,010	$27,929,311	$28,697,999	$29,629,823	$30,545,381
NET OPERATING INCOME	$6,359,450	$11,662,646	$14,336,536	$18,158,915	$20,029,267	$20,010,296	$20,139,605	$21,501,948	$22,106,230	$19,588,084	$16,647,810	$20,842,006	$22,277,038	$26,467,759	$26,113,667
Per Square Foot	*$5.38*	*$9.87*	*$12.13*	*$15.37*	*$16.95*	*$16.93*	*$17.04*	*$18.20*	*$18.71*	*$16.58*	*$14.09*	*$17.64*	*$18.85*	*$22.40*	*$22.10*

40 Wall Street
Market Value "As Is" on November 1, 2011
Cash Flow Analysis

	YEAR 1 FY 2012	YEAR 2 FY 2013	YEAR 3 FY 2014	YEAR 4 FY 2015	YEAR 5 FY 2016	YEAR 6 FY 2017	YEAR 7 FY 2018	YEAR 8 FY 2019	YEAR 9 FY 2020	YEAR 10 FY 2021	YEAR 11 FY 2022	YEAR 12 FY 2023	YEAR 13 FY 2024	YEAR 14 FY 2025	YEAR 15 FY 2026
LEASING & CAPITAL COSTS															
Tenant Improvements	$5,861,135	$7,816,832	$7,120,682	$798,192	$495,067	$2,431,722	$1,647,264	$1,178,478	$524,034	$4,059,285	$9,045,799	$5,337,430	$4,230,495	$980,545	$961,994
Leasing Commissions	$2,305,699	$2,715,581	$2,589,781	$238,995	$156,245	$870,334	$595,483	$416,067	$185,159	$1,394,884	$3,390,343	$1,806,391	$1,636,801	$293,512	$693,020
Capital Improvements	$1,800,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Capital Reserves	$118,169	$121,714	$125,366	$129,127	$133,000	$136,990	$141,100	$145,333	$149,693	$154,184	$158,809	$163,574	$168,481	$173,535	$178,741
TOTAL LEASING & CAPITAL COSTS	$10,085,003	$10,654,127	$9,835,829	$1,166,314	$784,312	$3,439,046	$2,383,847	$1,739,878	$858,886	$5,608,353	$12,594,951	$7,307,395	$6,035,777	$1,447,592	$1,833,755
TOTAL CASH FLOW	($3,725,553)	$1,008,519	$4,500,707	$16,992,601	$19,244,955	$16,571,250	$17,755,758	$19,762,070	$21,247,344	$13,979,731	$4,052,859	$13,534,610	$16,241,261	$25,020,167	$24,279,912
Annual Overall Capitalization Rate	3.18%	5.83%	7.17%	9.08%	10.01%	10.01%	10.07%	10.75%	11.05%	9.79%	8.32%	10.42%	11.14%	13.23%	
Annual Cash on Cash Return	-1.86%	0.50%	2.25%	8.50%	9.62%	8.29%	8.88%	9.88%	10.62%	6.99%	2.03%	6.77%	8.12%	12.51%	

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

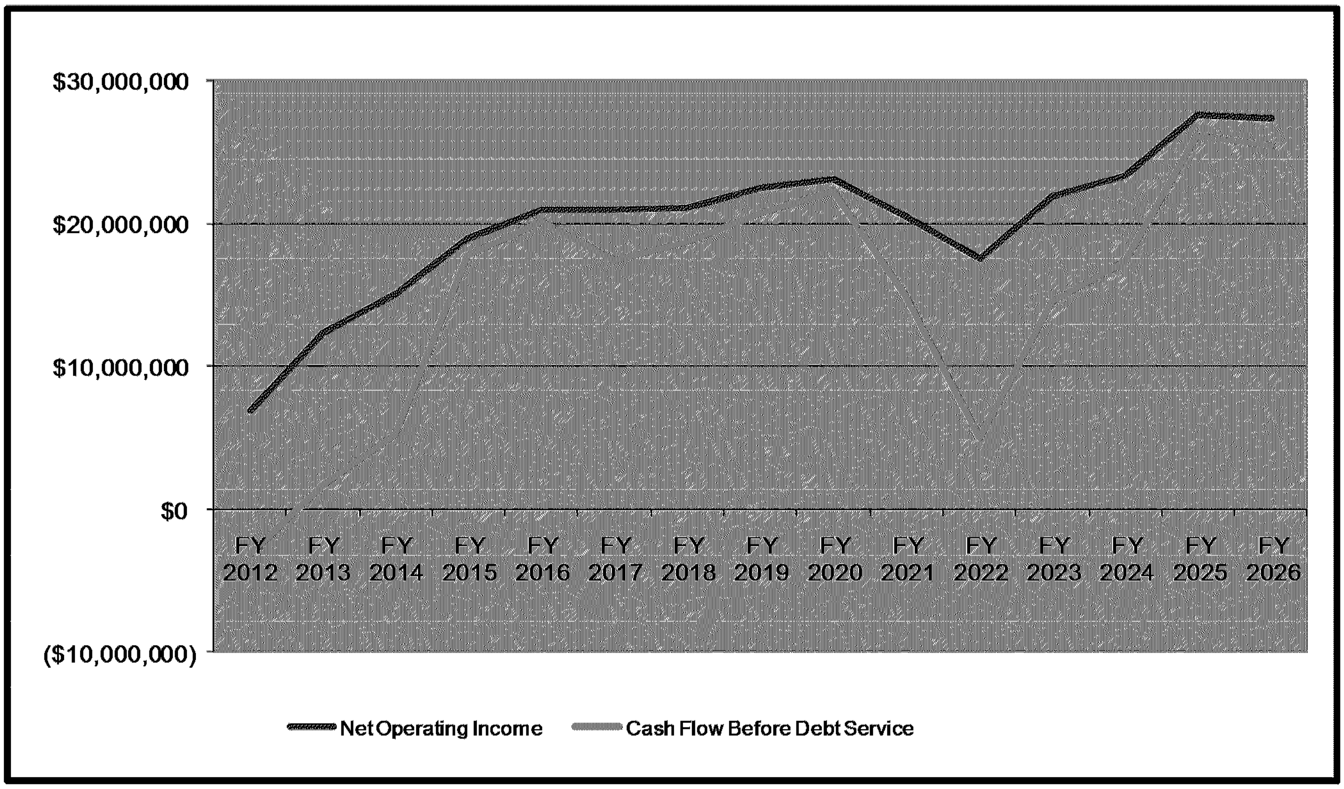
Net Cash Flow	($3,726)	$1,009	$4,501	$16,993	$19,245	$16,571	$17,756	$19,762	$21,247	$13,980	$4,053	$13,535	$16,241	$25,020
Residual Value	0	0	0	0	0	0	0	0	0	0	0	0	0	356,475
Total Cash Flow Proceeds	($3,726)	$1,009	$4,501	$16,993	$19,245	$16,571	$17,756	$19,762	$21,247	$13,980	$4,053	$13,535	$16,241	$381,495

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

IRR	Terminal Cap Rate 6.00%	6.50%	7.00%	7.50%	8.00%
7.50%	$251,688 ($213)	$240,011 ($203)	$230,002 ($195)	$221,328 ($187)	$213,738 ($181)
8.00%	$238,451 ($202)	$227,508 ($193)	$218,129 ($185)	$210,000 ($178)	$202,888 ($172)
8.50%	$226,025 ($191)	$215,767 ($183)	$206,976 ($175)	$199,356 ($169)	$192,689 ($163)
9.00%	$214,355 ($181)	$204,737 ($173)	$196,493 ($166)	$189,349 ($160)	$183,097 ($155)
9.50%	$203,391 ($172)	$194,370 ($164)	$186,638 ($158)	$179,936 ($152)	$174,073 ($147)

VALUATION ASSUMPTIONS	
Discount Rate:	8.50%
Terminal Cap Rate:	7.00%
Cost of Sale at Reversion	4.00%
Square Footage NRA (sf)	1,181,691
Holding Period	14 Years
Value of Cash Flow	93,209,395
Value of Reversion	113,766,155
ESTIMATED MARKET VALUE	$200,000,000
Per Square Foot	$169.25

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



OFFICE INVESTMENT MARKET

OVERVIEW

LIQUIDITY INCREASES – DEBT MARKETS LEAD THE WAY

The focus during 2009 and continuing into 2010 was on de-leveraging, as over-leveraged owners and lenders dealt with legacy loans that in many cases exceeded current values. The market stabilized somewhat in 2010, particularly during the second half of the year, and experienced greater positive momentum through the first half of 2011. A gradual economic recovery commenced in early 2010, and the real estate market began to benefit from the historically low interest rate environment and the anticipation of value and rent increases over the (relatively) near term. Most investment-grade REIT's had access to capital in follow-on public offerings, liquidity in the CMBS market improved, and a broad range of lenders "re-engaged" in the commercial real estate market, although on more conservative terms than during the period from 2005 to 2007. More recently, however, concerns about the economic recovery and a possible "double dip" recession have resulted in setbacks in the debt markets.

CMBS MARKET

The August, 2011 downgrade of the United States by S&P was preceded by a weakening in the CMBS component of the debt market. As noted above, the concerns about the strength of the economic recovery were exacerbated by the prolonged negotiations relating to increasing the debt ceiling, and the potential for government cutbacks to stall job growth has had near-term negative impact on the securities market and the stock market.

A review by Commercial Mortgage Alert (February, 2011) identified 25 firms that had begun to originate CMBS loans or were planning to do so in the near term. The projected 2011 commercial mortgage securitization originations for these 25 lenders was approximately $68 billion versus $7.9 billion during 2010. By comparison, there was approximately $223 billion in commercial mortgage securitizations in the peak year of 2007. The aggressive expansion by lenders is one result of narrowing spreads for these offerings. Life Companies, banks, and debt funds have “flooded” the market with debt at increasingly favorable terms, although underwriting standards remain more conservative and LTV ratios remain below 2005-2007 levels.

CUSHMAN & WAKEFIELD SONNENBLICK GOLDMAN RECENT DEALS/CLOSINGS/QUOTES EQUITY TRANSACTIONS						
Recent Deals/Closings/Quotes - Debt						
Asset Type	Type of Financing	Type of Lender	Rate/Return	Loan-to-Value	Term	Amortization/Comments
Office	Fixed	Life Company	4.25%	50%	10 years	5 Years IO
Office	Fixed	CMBS	6.03%	70%	5 years	30 Year
Office	Fixed	Life Company	5.15%	65%	10 years	2 Years IO
Office	Fixed	Life Company	4.25%	65%	5 years	30 Year
Office - Mezzanine Loan	Fixed	Debt Fund	12.00%	80%	5 years	IO, 6% current pay
Recent Deals/Closings/Quotes - Equity						
Asset Type	Type of Financing	Type of Investor	Target Return	Equity Contribution Levels	Comments	
Office	JV Equity	Life Insurance Company	18%	98%/2%	10% above 13% , 25% above 15%	

Source: Cushman & Wakefield Sonnenblick Goldman Capital Markets Update

SENIOR & SUBORDINATE LENDING SPREADS	Maximum Loan-to-Value	DSCR	Spreads
Fixed Rate - 5 Years	65-70%	1.30-1.50	T + 250-400
Fixed Rate - 10 Years	60-70%	1.30-1.50	T + 235-400
Floating Rate - 5 Years			
Core Asset	< 65%	1.30-1.50	L + 200-300
Value Add Asset	< 65%	1.25-1.40	L + 300-450
Mezzanine Moderate Leverage	65-80%	1.05-1.15	L + 700-1,000
Mezzanine High Leverage	75-90%		L + 1,100-1,300

Source: Cushman & Wakefield Sonnenblick Goldman Capital Markets Update

BASE RATES	September 30, 2011	Two Weeks Prior	One Year Prior
30 Day LIBOR	0.24%	0.23%	0.26%
U.S. TREASURY			
5 Year	0.96%	0.94%	1.26%
10 Year	1.93%	2.08%	2.51%
SWAPS		Current Swap Spreads	
5 Year	1.24%	0.28%	
10 Year	2.11%	0.18%	

Source: Cushman & Wakefield Sonnenblick Goldman Capital Markets Update

TEN-YEAR FIXED RATE RANGES BY ASSET CLASS	Maximum Loan-to-Value	Class A	Class B/C
Anchored Retail	60-70%	T + 300	T + 320
Strip Center	60-65%	T + 330	T + 355
Multi-Family (non-agency)	65-70%	T + 245	T + 255
Multi-Family (agency)	70-75%	T + 245	T + 255
Distribution/Warehouse	65-70%	T + 310	T + 335
R&D/Flex/Industrial	55-65%	T + 320	T + 345
Office	60-70%	T + 315	T + 340
Hotel	50-55%	T + 350	T + 400

Source: Cushman & Wakefield Sonnenblick Goldman Capital Markets Update

CURRENT DEBT RATES AND SPREADS

The accompanying exhibit provides an overview of current and recent closed loan transactions and current quotes from a range of lenders. The data is compiled by Cushman & Wakefield/Sonnenblick Goldman. Fixed rates for 10-year loans for office assets are quoted at 320 basis point spreads over treasuries for Class A office properties, and 335 basis points over treasuries for Class B office assets, with maximum LTV's of 60 to 70 percent. These spreads widened considerably from the period prior to the US downgrade by S&P in early August, but the rates for 10-year Treasuries declined by a comparable amount, so the resulting interest rates for debt remained fairly constant, or declined slightly. The overall impact is more significant, however, as underwriting assumptions may become more "conservative", with rental growth rates tempered.

Based on the November 4, 2011, 10-year treasury rate of 1.93%, the indicated fixed rate interest rate is about 5.27% for Class A office and about 5.42% for Class B/C office. Despite the recent downgrade of the US by S&P, treasuries have actually strengthened, with yields declining as shown by the data in the chart from prior periods. The spreads over treasuries for real estate debt are likely to increase, however, as demonstrated by the recent trends in the CMBS market.

EQUITY FLOWS INCREASE

The debt markets are a critical component to the overall investment market, as the availability of debt at favorable rates enables investors to gain significant positive leverage on their equity.

Numerous equity "vehicles" have been formed over the past year, raising billions in capital for a wide variety of funds targeting real estate assets ranging from "core" to "opportunity" and "distressed" properties and debt. Capital has been raised, and continues to be raised from institutional investors, wealthy individuals, and foreign investors.

REAL ESTATE EQUITY FUNDS

Core Plus Funds

Sponsor	Proj. Equity Size ($Mil.)	Target Return (%)	Asset Type	Target Areas
Angelo, Gordon & Co,	$560	10-12	Office, retail, industrial	North America
Brookfield Asset Management	$1,000	10-13	Office	US
Colony Capital	$500	10-13	Office, multifamily, retail , industrial	US
Paramount Group	$1,000	11-12	Office	Large US cities
PCG Equity	$500	10	Office, retail, industrial	US
PRP Real Estate Investors	$400	11	Office	US
Thomas Properties	$180	12+	Office	US
USAA Real Estate	$325	10-12	Diverse	US
Total:	$4,465	Range: 10-13%		

Value Add Funds

Sponsor	Proj. Equity Size ($Mil.)	Target Return (%)	Asset Type	Target Areas
Abacus Capital	$250	13-15	All	US
AIC Ventures	$100	15	Office, industrial	US
Brookfield Asset Management	$262	13	Office, other	US, Canada
Capri Capital	$538	15+	Diverse	US
Crocker Partners	$400	13-16	Office	TX, Southeast
Douglas Emmett	$549	12-14	Office	US
DRA Advisors	$1,250	13-15	Retail, office, multifamily	US
Embarcadero Capital Partners	$365	15	Office	West Coast
LaSalle Investment Income Growth Fund 5	$729	15	Office, retail, industrial	US
LaSalle Investment Income Growth Fund 6	$700	15	Office, retail, industrial	US
LBA Realty	$750	15-16	Office, industrial	West
Legacy Partners	$451	12-15	Office, industrial	West
Marcus Partners	$250	15	Office, industrial	Eastern US
MayfieldGentry Realty	$400	12-16	Office, multifamily, retail, industrial	US
Menlo Equities	$150	14	Office	California
Meridian Group	$300	15	Office	DC area
Meritage Properties	$150	15	Office	Boston-DC
Normandy Real Estate Partners	$300	14	Office	Northeast
Rockpoint Group	$2,518	15+	Office, multifamily, retail	US, Eur., Asia
Rockwood Capital	$984	15	Diverse	US
Rubenstein Partners	$475	15	Office	East
TA Associates Realty	$1,688	13+	Office, industrial, multifamily	US
Thompson Natl., Shangri-La Ind.	$100	15+	Office, industrial	US
Tishman Speyer	$1,500	13-15	Office	US
Transwestern Investment	$440	15+	Office, retail, industrial	US
Urdang Capital Management	$463	14	Office, multifamily, retail	East, West Coasts
Vornado Realty	$800	12-16	Office, retail	New York, DC
Total:	$16,842	Range: 13-16%		

Opportunity Funds

Sponsor	Proj. Equity Size ($Mil.)	Target Return (%)	Asset Type	Target Areas
AEW Capital Management	$424	16-18	Diverse	US
Beacon Capital Partners	$2,500	15-17	Office	US, Europe
Blackstone Group	$10,000	20	Office, hotel	Global
Brookdale Group	$410	16-19	Office	US
Brookfield Asset Management	$5,000	21	Office, retail	Global
Carlyle Realty Partners 6	$1,500	20	Diverse	US
CB Richard Ellis Investors	$600	16	Diverse	US
Fidelity Investments	$875	18	Diverse	US
Harbert Real Estate Fund 4	$250	15-18	Office, multifamily, industrial	US
Iron Point Partners	$460	18	All	US
JP Morgan US Opportunistic Fund	$750	18	Diverse	US
John Buck Co.	$350	14-18	Office, multifamily	US
Murray Hill Properties	$600	15-17	Office	New York
Northland Investment	$100	16-18	Diverse	US
Parmenter Realty Partners	$500	20	Office	Sunbelt
RXR Realty	$275	16-19	Office	NY area
Spear Street Capital	$600	18+	Office	US
Stockbridge Capital Partners	$1,150	16	Office, retail, hotel	US
Walton Street Capital	$2,000	20	Diverse	US, other
Total;	$28,344	Range: 14-21%		

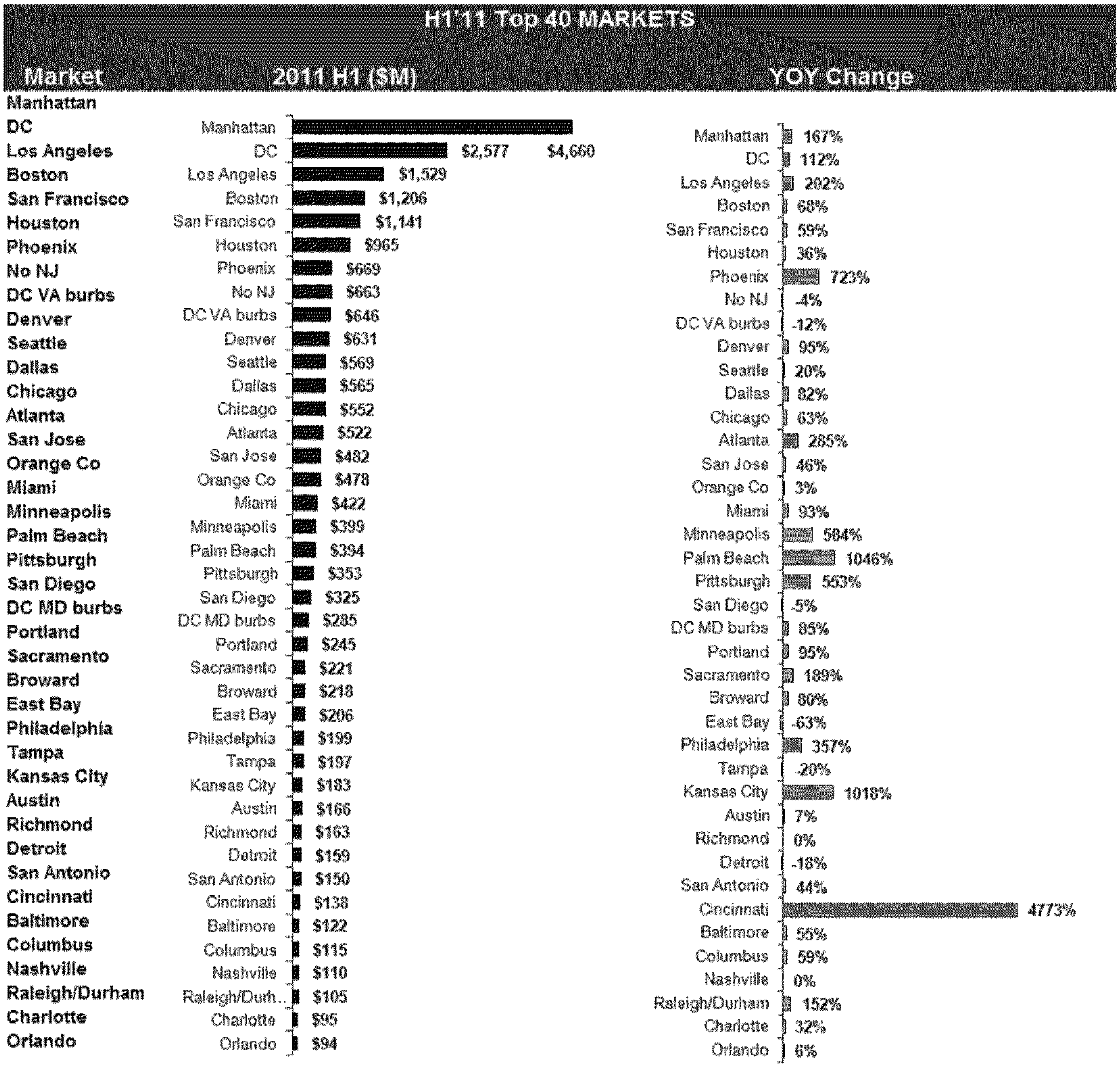
	Proj. Equity Size ($Mil.)	Target Return (%)
GRAND TOTAL:	$49,651	10-21%

Source: Real Capital Analytics; compiled by Cushman & Wakefield Valuation & Advisory

The accompanying chart provides an overview of real estate equity funds in the market during 2011 with criteria that includes office assets in US markets. The exhibit includes the equity raised by category of fund (Core, Value Add, Opportunity) differentiated by the corresponding risk profile which the fund targets. The targeted returns (equity returns) reflect the goals of the fund when the equity was raised, and the equity returns logically are impacted by the cost and availability of leverage. The chart shows only a selection of the funds, and the available equity totals about $82 billion. With 65 percent LTV leverage, the buying power would total more than $230 billion. Together with REITs, offshore investors, and local and regional buyers, these and other funds drive the "demand" side of the investment market. The availability of equity combined with the current favorable debt markets and low interest rates which enables buyers to leverage their buying power has created (to a degree) a capital-driven investment market which is buying in advance of a true recovery in the underlying commercial real estate fundamentals.

OFFICE INVESTMENT ACTIVITY

While office transactions (total dollar volume) more than doubled during 2010 in comparison to 2009 (from $17.3 billion to $41.6 billion), the 4th quarter 2010 closed transactions alone totaled $18.7 billion, or more than during all of 2009. During the first half of 2011, office sales volume totaled $24.5 billion, an increase of 77 percent over the comparable period during 2010. The bulk of the major sales occurred in the prime markets of Manhattan and Washington, D.C., which represented about 22 percent of all office sales volume nationally in 2010 and 22 percent of all sales during the first half of 2011. Five of the largest transactions in terms of total price were Manhattan office buildings (per Real Capital Analytics, or "RCA"). We note, however, that a fairly significant component of the transaction volume has involved distressed office assets. According to RCA, distressed office asset sales in the fourth quarter of 2010 represented 17 percent of all sales during that quarter. Distressed sales also represented approximately 17 percent of the total sales volume during the first half of 2011. The trend in distressed sales has been increasing, as lenders have become more willing to liquidate assets acquired through foreclosure/bankruptcy. Approximately $43 billion in "distressed" office properties remained unresolved as of mid-year 2011, a decline from approximately $50 billion as of year-end, 2010.



Data Courtesy of Real Capital Analytics, Inc.

The increased demand and availability of debt led to a decline in capitalization rates, an increase in per-square-foot pricing, and the initial signs in the recovery of the market in terms of total volume, particularly for CBD assets.

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 **Midtown and Downtown** Manhattan office building sales.

SALES ECONOMIC INDICATORS - DOWNTOWN MANHATTAN										
No.	Sales Date	Property Name	Price	Price/ NRA	EGIM	OAR	Forecast	IRR	Terminal OAR
1	Jul-11	120 Broadway	$525,000,000	$283	6.91	6.74%	10	8.00%	6.00%
2	Oct-11	195 Broadway	$285,000,000	$286	8.91	6.14%	10	8.00%	6.00%
3	Oct-11	93 Worth Street	$49,750,000	$302	9.74	6.32%	10	8.00%	6.00%
4	Apr-11	72 Wall Street	$46,000,000	$142	–	–	–	–	–
5	Feb-11	375 Pearl Street	$122,200,000	$106	–	–	–	–	–
6	Oct-10	100 Broadway	$80,000,000	$202	8.28	6.07%	10	9.00%	7.50%
7	Dec-09	4 New York Plaza	$107,000,000	$99	4.28	4.21%	14	9.00%	8.00%

** Compiled by Cushman & Wakefield Valuation & Advisory*

SALES ECONOMIC INDICATORS - MIDTOWN MANHATTAN									
No.	Sales Date	Property Name	Price	Price/ NRA	EGIM	OAR	Forecast	IRR	Terminal OAR
1	Sep-11	2 Grand Central Tower	$400,000,000	$600	13.66	3.59%	10	8.00%	5.50%
2	Sep-11	650 Madison Avenue	$950,000,000	$1,574	19.12	3.61%	10	7.00%	5.50%
3	Sep-11	Park Avenue Plaza	$1,100,000,000	$967	14.19	3.94%	10	7.50%	5.50%
4	Sep-11	200 Fifth Avenue	$726,000,000	$860	15.54	4.60%	10	8.00%	6.00%
5	Aug-11	299 Park Avenue	$1,185,000,000	$1,046	12.57	4.39%	10	8.00%	5.50%
6	Jul-11	1633 Broadway	$1,700,000,000	$652	14.45	4.70%	10	7.00%	5.50%
7	May-11	230 Park Avenue	$760,000,000	$542	11.78	4.25%	10	8.50%	6.00%
8	May-11	750 Seventh Avenue	$485,000,000	$782	13.55	4.00%	10	7.50%	6.00%
9	Apr-11	1515 Broadway	$1,260,000,000	$664	10.59	5.84%	10	7.50%	6.00%
10	Mar-11	One Park Avenue	$440,000,000	$465	12.84	3.77%	10	7.50%	6.00%

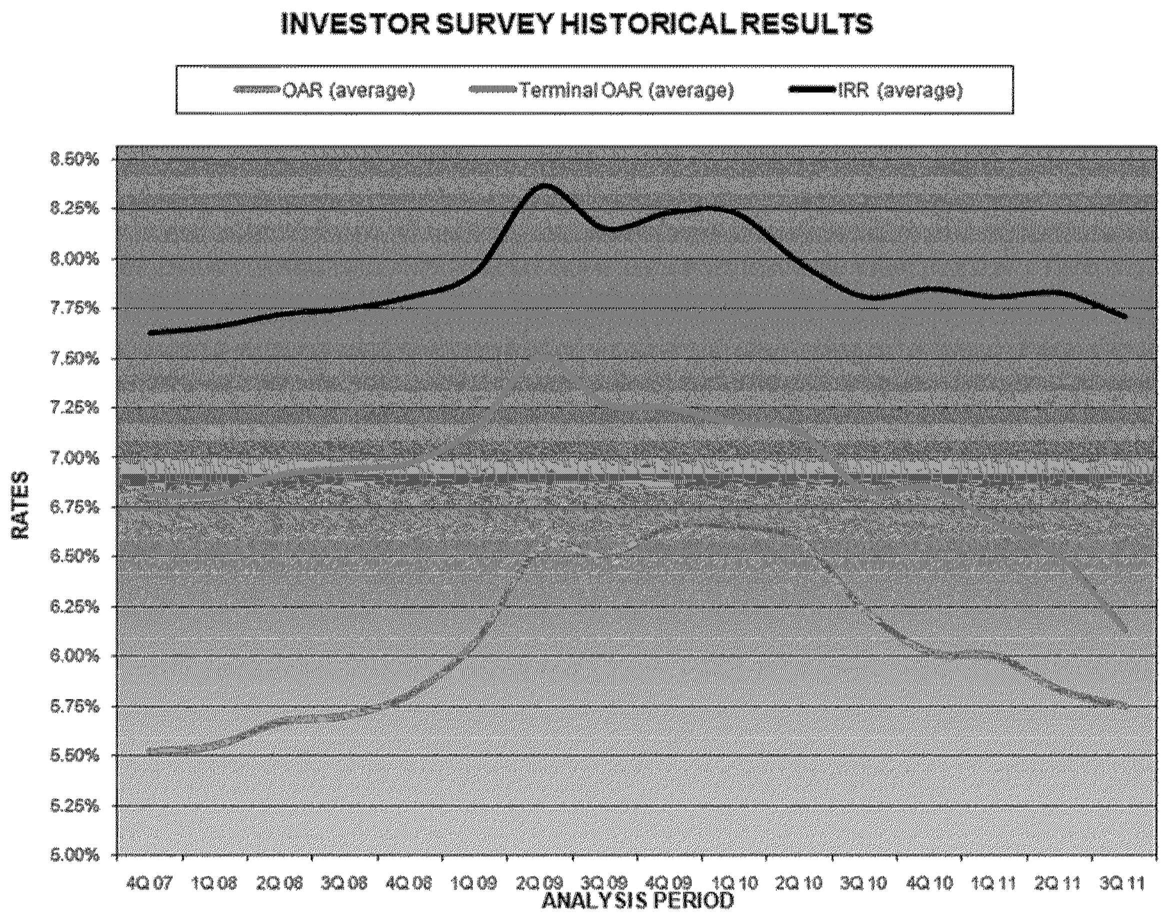
** Compiled by Cushman & Wakefield Valuation & Advisory*

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 Korpacz Real Estate Investor Survey published by PricewaterhouseCoopers.

INVESTOR SURVEY HISTORICAL RESULTS

Survey:	PwC	End Quarter:
Property Type:	MANHATTAN OFFICE	3Q 11

Quarter	4Q 07	1Q 08	2Q 08	3Q 08	4Q 08	1Q 09	2Q 09	3Q 09	4Q 09	1Q 10	2Q 10	3Q 10	4Q 10	1Q 11	2Q 11	3Q 11
OAR (average)	5.52%	5.55%	5.67%	5.70%	5.81%	6.07%	6.54%	6.51%	6.65%	6.65%	6.58%	6.23%	6.02%	6.00%	5.83%	5.75%
Terminal OAR (average)	6.81%	6.81%	6.91%	6.94%	6.97%	7.14%	7.50%	7.27%	7.25%	7.17%	7.13%	6.83%	6.85%	6.67%	6.50%	6.13%
IRR (average)	7.63%	7.66%	7.72%	7.75%	7.81%	7.93%	8.36%	8.15%	8.23%	8.23%	7.98%	7.81%	7.85%	7.81%	7.83%	7.71%



Source: PwC Real Estate Investor Survey

As the chart illustrates, the return requirements cited by investors were at lows in all categories in 2007, spurred by the low interest rate environment. Starting in 2008 an upward trend and an increase in return requirements is indicated, with all categories reaching highs in the second quarter of 2009. Following some improvement in the economic indicators, increased optimism by investors and the return of capital into the market the return requirements have decrease in 2010, which has continued in 2011.

According to Cushman & Wakefield Investment Sale brokers a year ago, there were many capital sources on the sideline, circling New York and waiting to be at or near "the bottom". Today, the vast majority of investors believe that the market has bottomed, or is close enough, and the number of investors seeking to unearth investment opportunities in New York City has grown exponentially from the first half of last year. The capital targeting New York comes from around the globe. C&W Investment Sale brokers are continually meeting with investors from Asia, Europe, the Middle East, Latin America and Canada, as well as domestic investors. There is very strong equity liquidity, and so little product to feed it. While a year ago, a stalled debt market and bid-ask discrepancies were more significant factors in the low transaction volume, today, the biggest factor quelling volume is the availability of product for sale. Delaying loss recognition has created major supply/demand disequilibrium.

Terminal Capitalization Rate Selection

We based the estimate of property value at reversion on assumed resale at the end of Year 14, using our forecast of Year 15 net operating income. The reversion value was calculated by applying a capitalization rate of 7.00 percent to the fiscal year 2026 NOI and subtracting sales expenses of 4.00 percent. The net cash flows and the net reversion were discounted to net present value using a discount rate of 8.50 percent, the derivation of which is discussed below.

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.

TERMINAL CAPITALIZATION RATES (OAR_{out})			
Survey	Date	Range	Average
PwC	Third Quarter 2011	5.00% - 7.50%	6.13%

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

In addition, we examined the terminal capitalization rates derived from the improved property sales.

DOWNTOWN MANHATTAN OFFICE BUILDING SALES TERMINAL CAPITALIZATION RATE SUMMARY		
No.	Property	Capitalization Rate
1	120 Broadway	6.00%
2	195 Broadway	6.00%
3	93 Worth Street	6.00%
4	72 Wall Street	–
5	375 Pearl Street	–
6	100 Broadway	7.50%
7	4 New York Plaza	8.00%

STATISTICS	
Low	6.00%
High	8.00%
Median	6.00%
Average	6.70%

The terminal capitalization rates derived from the improved property sales range between 6.00 and 8.00 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.

As a result, we have applied a 7.00 percent terminal capitalization rate in our analysis. This rate is supported by 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 third quarter 2011 PriceWaterhouseCoopers, Inc. (Korpacz) survey indicates that investors considered acceptable internal rates of return within the following range:

DISCOUNT RATES (IRR)

Survey	Date	Range	Average
PwC	Third Quarter 2011	6.50% - 10.00%	7.71%

Pw C - Refers to Manhattan Office market regardless of class or occupancy

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	120 Broadway	8.00%
2	195 Broadway	8.00%
3	93 Worth Street	8.00%
4	72 Wall Street	–
5	375 Pearl Street	–
6	100 Broadway	9.00%
7	4 New York Plaza	9.00%

STATISTICS	
Low	8.00%
High	9.00%
Median	8.00%
Average	8.40%

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 6.50 to 10.00 percent. Manhattan office building sales reflect internal rates of return ranging from 8.00 to 9.00 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 credit quality and declining returns expected by investors in the current market in relation to other office properties, we discounted the cash flows at 8.50 percent. Our selection of discount rate is considered reasonable given the relative strength of the cash flow of the subject property, which is considered to be a prime quality asset.

"As Is" Versus "Prospective Market" Values

Our estimate of the appropriate discount rate for the market value analysis is the same as the discount rate assuming stabilized occupancy. The "As Is" value of the property assumes that a buyer will require a greater return on his or her investment given the speculative nature of leasing office space in an improving, yet still competitive market. The "Prospective Market" value analysis is considered the less risky of the two scenarios under the assumption that the property has achieved optimum market occupancy. Although this relationship is generally true, the subject property is expected to achieve stabilization by November 1, 2014.

Based upon the above, it is our opinion that an investor would require a discount rate in the range of 8.00 to 9.00 percent with a terminal capitalization rate ranging from 6.50 to 7.50 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 8.00 to 9.00 percent at 50 basis point intervals. Discounting these cash flows over the range of yields and terminal rates 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	6.50%	7.00%	7.50%
8.00%	$227,500	$218,100	$210,000
8.50%	$215,800	$207,000	$199,400
9.00%	$204,700	$196,500	$189,300

The value of the subject property varies with the discount rates and range of terminal capitalization rates from approximately **$189,300,000 to $227,500,000**, 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 **$200,000,000**, 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 NEW YORK, NEW YORK	
Terminal Capitalization Rate	7.00%
Equity Yield	8.50%
Price/SF of NRA	$169.25

Discounted Cash Flow Analysis and DCF Summary Table

Based on the discount rate selected above, "As Is" market value would be **$200,000,000**, rounded. The reversionary sale contributes 54.97 percent to this value estimate. The 14 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 November 1, 2011

FISCAL YEAR		NET CASH FLOW		DISCOUNT FACTOR @ 8.50%			PRESENT VALUE OF CASH FLOWS	COMPOSITION OF YIELD	ANNUAL CASH ON CASH RETURN
One	$	(3,725,553)	X	0.921659	=	$	(3,433,689)	-1.66%	-1.80%
Two	$	1,008,519	X	0.849455	=	$	856,692	0.41%	0.49%
Three	$	4,500,707	X	0.782908	=	$	3,523,640	1.70%	2.17%
Four	$	16,992,601	X	0.721574	=	$	12,261,424	5.92%	8.21%
Five	$	19,244,955	X	0.665045	=	$	12,798,769	6.18%	9.30%
Six	$	16,571,250	X	0.612945	=	$	10,157,266	4.91%	8.01%
Seven	$	17,755,758	X	0.564926	=	$	10,030,696	4.85%	8.58%
Eight	$	19,762,070	X	0.520669	=	$	10,289,506	4.97%	9.55%
Nine	$	21,247,344	X	0.479880	=	$	10,196,169	4.93%	10.27%
Ten	$	13,979,731	X	0.442285	=	$	6,183,031	2.99%	6.75%
Eleven	$	4,052,859	X	0.407636	=	$	1,652,093	0.80%	1.96%
Twelve	$	13,534,610	X	0.375702	=	$	5,084,976	2.46%	6.54%
Thirteen	$	16,241,261	X	0.346269	=	$	5,623,842	2.72%	7.85%
Fourteen	$	25,020,167	X	0.319142	=	$	7,984,981	3.86%	12.09%
Total Present Value of Cash Flows						$	93,209,395	45.03%	6.15% Average
Reversion:									
Fifteen	$	26,113,667	(1) /	7.00%	=	$	373,052,386		
		Less: Cost of Sale @		4.00%		$	14,922,095		
		Less: T.I and Comm.				$	1,655,014		
		Net Reversion				$	356,475,276		
		X Discount Factor					0.319142		
Total Present Value of Reversion						$	113,766,155	54.97%	
Total Present Value						$	206,975,549	100.00%	
		ROUNDED:				$	200,000,000		

Net Rentable Area (SF):	1,181,691
Per Square Foot of Net Rentable Area:	$169.25
Implicit Going-in Capitalization Rate:	
Year One NOI (12 Months)	$6,359,450
Going-In Cap Rate	3.18%
Compounded Annual Growth Rate Concluded to Reversion:	4.91%
Compounded Annual Growth Rate Net Cash Flow:	n/a

Note: (1) Net Operating Income

"PROSPECTIVE MARKET VALUE" AS OF NOVEMBER 1, 2014

We have also been asked by Capital One Bank to estimate the prospective value as of November 1, 2014. The key assumption of this scenario, which is based upon the cash flow projection exhibited previously, is that the property will reach stabilized occupancy by November 1, 2014. With the exception of the starting date, all other assumptions such as market rent, growth rate, rent concessions, vacancy between leases and credit loss remain the same as the "As Is" scenario. We have included a 10-year cash flow projection reflecting the assumptions used in this scenario, which assume a fiscal year analysis beginning November 1, 2014.

Based upon the above, it is our opinion that an investor would require a discount rate in the range of 8.00 to 9.00 percent with a terminal capitalization rate ranging from 6.50 to 7.50 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 8.00 to 9.00 percent at 50 basis point intervals. Discounting these cash flows over the range of yields and terminal rates 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 "Prospective Market Value" ($000's)			
	Terminal Capitalization Rates		
IRR	6.50%	7.00%	7.50%
8.00%	$291,200	$278,400	$267,400
8.50%	$280,700	$268,500	$258,000
9.00%	$270,700	$259,100	$249,000

The value of the subject property varies with the discount rates and range of terminal capitalization rates from approximately **$249,000,000 to $291,200,000**, 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 **$270,000,000**, 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 NEW YORK, NEW YORK	
Terminal Capitalization Rate	7.00%
Equity Yield	8.50%
Price/SF of NRA	$228.49

DISCOUNTED CASH FLOW ANALYSIS AND DCF SUMMARY TABLE

Based on the discount rate selected above, prospective market value would be **$270,000,000**, rounded. The reversionary sale contributes 58.71 percent to this value estimate. The implied "going in" capitalization rate is 7.42 percent, which is in line with going-in capitalization rates indicated by the sales and the most recent Investor Surveys. The 10-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
Prospective Market Value on November 1, 2014

FISCAL YEAR		NET CASH FLOW		DISCOUNT FACTOR @ 8.50%			PRESENT VALUE OF CASH FLOWS	COMPOSITION OF YIELD	ANNUAL CASH ON CASH RETURN
One	$	19,244,955	X	0.921659	=	$	17,737,286	6.61%	7.17%
Two	$	16,571,250	X	0.849455	=	$	14,076,536	5.24%	6.17%
Three	$	17,755,758	X	0.782908	=	$	13,901,127	5.18%	6.61%
Four	$	19,762,070	X	0.721574	=	$	14,259,802	5.31%	7.36%
Five	$	21,247,344	X	0.665045	=	$	14,130,449	5.26%	7.91%
Six	$	13,979,731	X	0.612945	=	$	8,568,807	3.19%	5.21%
Seven	$	4,052,859	X	0.564926	=	$	2,289,567	0.85%	1.51%
Eight	$	13,534,610	X	0.520669	=	$	7,047,058	2.62%	5.04%
Nine	$	16,241,261	X	0.479880	=	$	7,793,851	2.90%	6.05%
Ten	$	25,020,167	X	0.442285	=	$	11,066,055	4.12%	9.32%
Total Present Value of Cash Flows						$	110,870,537	41.29%	6.23% Average
Reversion:									
Eleven	$	26,113,667	(1) /	7.00%	=	$	373,052,386		
	Less: Cost of Sale @			4.00%		$	14,922,095		
	Less: T.I and Comm.					$	1,655,014		
	Net Reversion					$	356,475,276		
	X Discount Factor						0.442285		
Total Present Value of Reversion						$	157,663,816	58.71%	
Total Present Value						$	268,534,353	100.00%	
			ROUNDED:			$	270,000,000		

Net Rentable Area (SF):	1,181,691
Per Square Foot of Net Rentable Area:	$228.49
Implicit Going-in Capitalization Rate:	
Year One NOI (12 Months)	$20,029,267
Going-In Cap Rate	7.42%
Compounded Annual Growth Rate Concluded to Reversion:	3.29%
Compounded Annual Growth Rate Net cash Flow:	n/a

Note: (1) Net Operating Income

DIRECT CAPITALIZATION VALUATION METHOD ("PROSPECTIVE MARKET VALUE" AS OF NOVEMBER 1, 2014)

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. We estimated the capitalization rate to be 7.00 percent. The overall capitalization rates derived from the improved property sales are between 4.21 and 6.74 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	120 Broadway	6.74%
2	195 Broadway	6.14%
3	93 Worth Street	6.32%
4	72 Wall Street	–
5	375 Pearl Street	–
6	100 Broadway	6.07%
7	4 New York Plaza	4.21%

STATISTICS	
Low	4.21%
High	6.74%
Median	6.14%
Average	5.90%

The current market conditions require higher rates as a result of the recent credit market correction. In the context of the direct capitalization method, a going-in rate of 7.00 percent is considered reasonable, compensating the typical buyer for the risk inherent in investing in this building. A summary of the direct capitalization method is shown below.

INDICATED VALUE BASED ON DIRECT CAPITALIZATION OF NOI

Direct Capitalization Method			
NET OPERATING INCOME		**$20,029,267**	**$16.95**
Sensitivity Analysis OAR Spread	**0.50%**	**Value**	**$/SF NRA**
Based on Low-Range	6.50%	$308,142,569	$260.76
Based on Most Probable Range	7.00%	$286,132,386	$242.14
Based on High-Range	7.50%	$267,056,893	$226.00
Reconciled Value		$286,132,386	$242.14
Rounded		$290,000,000	$245.41

The year one going-in capitalization rate indicated in the discounted cash flow analysis is 7.42 percent. This is in line with going-in capitalization rates indicated by the improved sales and the most recent Investor Survey. The going-in capitalization rate also considers that rates are higher than in August 2007 as a result of the credit market correction. 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:	$270,000,000
Value Indicated by the Direct Capitalization Method:	$290,000,000

Since the subject is a multi-tenant office building with a fair amount of turnover in the near term, 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	
Indicated Market Value (As of November 1, 2014)::	$270,000,000

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	
As Is Value as of August 31, 2011:	$211,000,000
Prospective Market Value as of November 1, 2014:	$271,000,000
Income Capitalization Approach	
As Is Value as of August 31, 2011:	$200,000,000
Prospective Market Value as of November 1, 2014:	$270,000,000

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.

MARKET VALUE AS IS

Based on the agreed to Scope of Work, and as outlined in the report, we have developed an opinion that the market value of the **leasehold estate** of the referenced property, subject to the assumptions and limiting conditions, certifications, extraordinary and hypothetical conditions, if any, and definitions, "As-Is" on November 1, 2011, is:

TWO HUNDRED MILLION DOLLARS

$200,000,000

PROSPECTIVE MARKET VALUE

Based on the agreed to Scope of Work, and as outlined in the report, we have developed an opinion that the prospective market value of the **leasehold estate** of the referenced property, subject to the assumptions, limiting conditions, certifications, and definitions, on November 1, 2014, will be:

TWO HUNDRED SEVENTY MILLION DOLLARS

$270,000,000

EXPOSURE 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.

MARKETING TIME

We believe, based on the assumptions employed in our analysis, as well as our selection of investment parameters for the subject, that our value conclusion represents a price achievable within six (6) months.

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 and Naoum M. Papagianopoulos 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.
- Robert S. Nardella, MAI, MRICS, Douglas H. Larson and Naoum M. Papagianopoulos have provided services regarding the subject property within the prior three years.
- As of the date of this report, Robert S. Nardella, MAI, MRICS, Douglas H. Larson and Naoum M. Papagianopoulos have completed the Standards and Ethics Education Requirement of the Appraisal Institute for Associate Members.
- As of the date of this report, Robert S. Nardella, MAI, MRICS has completed the continuing education program 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
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
Senior Managing Director - Regional Manager
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*, Fourth Edition (2002), published by the Appraisal Institute, as well as other sources.

Cash Equivalence

A price expressed in terms of cash, as distinguished from a price expressed totally or partly in terms of the face amounts of notes or other securities that cannot be sold at their face amounts. Calculating the cash-equivalent price requires an appraiser to compare transactions involving atypical financing to transactions involving comparable properties financed at typical market terms.

Extraordinary Assumptions

An extraordinary assumption is "an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis."

Hypothetical Conditions

A hypothetical condition is "that which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis."

Insurable Value

- The value of an asset or asset group that is covered by an insurance policy; can be estimated by deducting costs of noninsurable items (e.g., land value) from market value.
- Value used by insurance companies as the basis for insurance. Often considered to be replacement or reproduction cost plus allowances for debris removal or demolition less deterioration and noninsurable items. Sometimes cash value or market value, but often entirely a cost concept. (Marshall & Swift LP)

Marketing Time

Marketing time is an opinion of the time that might be required to sell a real property interest at the appraised value. Marketing time is presumed to start on the effective date of the appraisal. (Marketing time is subsequent to the effective date of the appraisal and exposure time is presumed to precede the effective date of the appraisal). The opinion of marketing time uses some of the same data analyzed in the process of estimating reasonable exposure time and it is not intended to be a prediction of a date of sale."

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.

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.

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.

Market Rent

The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the specified lease agreement including term, rental adjustment and revaluation, permitted uses, use restrictions, and expense obligations; the lessee and lessor each acting prudently and knowledgeably, and assuming consummation of a lease contract as of a specified date and the passing of the leasehold from lessor to lessee under conditions whereby:

- Lessee and lessor are typically motivated.
- Both parties are well informed or well advised, and acting in what they consider their best interests.
- A reasonable time is allowed for exposure in the open market.
- The rent payment is made in terms of cash in United States dollars, and is expressed as an amount per time period consistent with the payment schedule of the lease contract.
- The rental amount represents the normal consideration for the property lease unaffected by special fees or concessions granted by anyone associated with the transaction.

Market Value

Market value is one of the central concepts of the appraisal practice. Market value is differentiated from other types of value in that it is created by the collective patterns of the market. A current economic definition agreed upon by agencies that regulate federal financial institutions in the United States of America follows, taken from Advisory Opinion-22 of *USPAP* of The Appraisal Foundation:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

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

VALUE AS IS

The value of specific ownership rights to an identified parcel of real estate as of the effective date of the appraisal. It relates to what physically exists and is legally permissible and excludes all assumptions concerning hypothetical market conditions or possible rezoning.

ADDENDA CONTENTS

ADDENDUM A: ENGAGEMENT LETTER

ADDENDUM B: INSURABLE VALUE

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.

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

We developed an opinion of replacement cost new by using the Calculator Cost Method developed by Marshall Valuation Service, a nationally recognized cost estimating company that estimates construction costs for all types of improvements. Marshall Valuation Service revises its cost factors monthly and adjusts them to reflect regional and local cost variations. Base costs for an excellent quality office building has been used in the analysis of the subject property. These costs may be found in Section 15, Page 17 of the Marshall Valuation Service Manual.

Based on Marshall Valuation Service, the total replacement costs for the subject property were estimated at $728,836,971 or $686.76 per square foot of gross building area. In estimating the replacement cost, we have also considered construction costs for several office buildings. Following is a list of construction budgets for several office buildings recently constructed, under construction or planned in Manhattan.

Construction Budgets - Manhattan Office Buildings

Name/Address	Budget Year	Size GBA-SF	Direct Costs/SF	Indirect Costs/SF	Total Costs/SF	Total Costs/SF Time Adjusted (1)
2 World Trade Center	2008	2,834,170	$709.32	$281.49	$990.81	$891.73
3 World Trade Center	2008	2,519,289	$603.79	$235.64	$839.44	$755.49
4 World Trade Center	2008	2,179,296	$673.80	$233.67	$907.47	$816.72
510 Madison Avenue	2008	278,966	$591.06	$247.98	$839.04	$755.14
11 Times Square	2008	1,000,000	$650.00	$350.00	$1,000.00	$900.00
620 Eighth Avenue	2005	1,539,762	$269.10	$106.51	$375.61	$571.26
505 Fifth Avenue	2005	295,120	$224.92	$163.60	$388.52	$590.89
7 World Trade Center	2005	1,603,861	$231.16	$181.29	$412.45	$627.28
340 Madison Avenue	2004	584,091	$247.67	$120.15	$367.82	$643.32
Columbus Centre	2004	658,980	$279.13	$120.07	$399.20	$698.20
Averages			$448.00	$204.04	$652.04	$725.00

(1) Adjusted for inflation factor of 15% per year between 2004 and 2006 to account for cost increases in labor and materials (ie. steel costs, etc.) and a 10% increase from 2008 for deteriorating market conditions.

The construction comparables indicate development costs between $571.26 and $900.00 per square foot. This compares to the total replacement costs based on Marshall Valuation Service of $686.76 per square foot. After reviewing the construction costs for the comparable office projects and Marshall Valuation Service cost estimates, we have utilized a total replacement cost estimate for the subject property $728,836,971 or $686.76 per square foot of gross building area.

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-09

REPLACEMENT COST ANALYSIS				
Replacement Cost New (RCN)	**GBA (SF)**	**$/GBA**	**Sub-Total**	
Building Improvements				
Base Cost	1,061,266	$228.51	$242,509,894	
Heating & Cooling		$12.30	$13,053,572	
Sprinklers		$2.40	$2,547,038	
Subtotal		$243.21	$258,110,504	
Multipliers				
Current Cost		1.080		
Local Area		1.410		
Perimeter		1.100		
Building Height		1.267		
Congestion/Complex		1.250		
Product of Multipliers			x 2.653	
Adjusted Replacement Cost New (RCN)			$684,743,408	$645.21

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%	($68,474,341)	
Insurable Value		$616,269,067	
Rounded		**$620,000,000**	$584.21

Compiled by Cushman & Wakefield, Inc.

ADDENDUM C:
NEW YORK CITY TAX MAP

ADDENDUM D:
COMPARABLE LEASED FEE LAND SALES

ADDENDUM E:
COMPARABLE IMPROVED SALES

ADDENDUM F: APPRAISER'S CERTIFICATIONS

UNIQUE ID NUMBER
16000039300

State of New York
Department of State
DIVISION OF LICENSING SERVICES

FOR OFFICE USE ONLY
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.
06 05 10

EXPIRATION DATE
MO. DAY YR.
06 04 12

LARSON DOUGLAS H
C/O 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.

LORRAINE A. CORTES-VAZQUEZ
SECRETARY OF STATE

DOS-1096 (Rev. 3/01)

UNIQUE ID NUMBER
[illegible]

State of New York
Department of State
DIVISION OF LICENSING SERVICES

FOR OFFICE USE ONLY
Control No. 57219

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 10

EXPIRATION DATE
MO. DAY YR.
12 07 12

NARDELLA ROBERT B
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.

RUTH NOEMI COLON
ACTING SECRETARY OF STATE

DOS-1096 (Rev. 3/01)

UNIQUE ID NUMBER
[illegible]

State of New York
Department of State
DIVISION OF LICENSING SERVICES

FOR OFFICE USE ONLY
Control No. [illegible]

PURSUANT TO THE PROVISIONS OF ARTICLE 6E OF THE EXECUTIVE LAW AS IT RELATES TO R.E. APPRAISERS

EFFECTIVE DATE
MO DAY YR
[illegible]

[illegible]
C/O CUSHMAN & WAKEFIELD
[illegible] ST 9TH FL
NEW YORK NY [illegible]

EXPIRATION DATE
MO DAY YR
[illegible]

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.

LORRAINE A. CORTES-VAZQUEZ
SECRETARY OF STATE

DOS-1098 [illegible]

ADDENDUM G: QUALIFICATION OF THE APPRAISERS