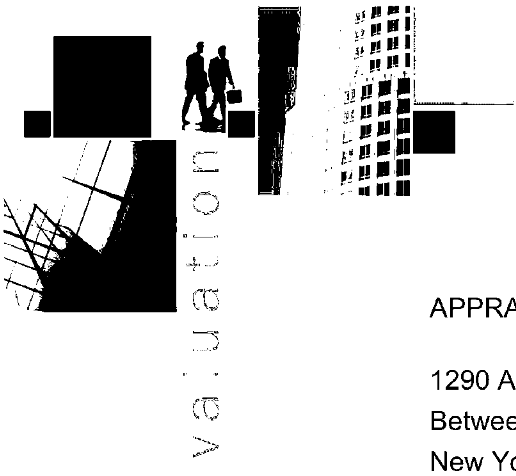

advisory

APPRAISAL OF REAL PROPERTY

1290 Avenue of the Americas
Between West 51st and West 52nd Streets
New York, New York County, NY 10104

IN A SELF-CONTAINED APPRAISAL REPORT
As of November 1, 2012

Prepared For:
Deutsche Bank, As Agent
60 Wall Street, 10th Floor
New York, NY 10005

Prepared By:
Cushman & Wakefield, Inc.
Valuation & Advisory
1290 Avenue of the Americas, 9th Floor
New York, NY 10104-6178
C&W File ID: 12-12002-902600
CONFIDENTIAL

PX-1824
Index No. 452564/2022 (AFE)

CUSHMAN & WAKEFIELD®
VALUATION & ADVISORY

CUSHMAN & WAKEFIELD, INC.
1290 AVENUE OF THE AMERICAS, 9TH FLOOR
NEW YORK, NY 10104-6178

1290 Avenue of the Americas

Between West 51st and West 52nd Streets
New York, New York County, NY 10104

CUSHMAN & WAKEFIELD, INC.
1290 AVENUE OF THE AMERICAS, 9TH FLOOR
NEW YORK, NY 03926

October 18, 2012

Mr. James Molloy, MAI, MRICS
Director
Deutsche Bank
60 Wall Street, 10th Floor
New York, New York 10005

Mr. Jim Griffith
Managing Director
Deutsche Bank
60 Wall Street, 10th Floor
New York, NY 10005

Mr. Leon V Wang
Corporate Lending Department
Bank of China, NY Branch
410 Madison Avenue
New York, New York 10017

Mr. Rene Theriault
Vice President
Goldman Sachs Mortgage Company
200 West Street
New York, New York 10282

Ms. Kathleen Gleason Donovan
Executive Director
UBS Securities LLC
Real Estate Finance
1285 Avenue of the Americas, 8th Floor
New York, New York 10019

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

1290 Avenue of the Americas
Between West 51st and West 52nd Streets
New York, New York County, NY 10104

C&W File ID: 12-12002-902600

Dear Ms. Gleason Donovan and Messrs. Molloy, Griffith, Wang and Theriault:

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 October 18, 2012. The effective date of value is November 1, 2012.

This report was prepared for Deutsche Bank, As Agent, Bank of China, UBS Securities LLC and Goldman Sachs Mortgage Company, 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 report have been prepared for the use of Deutsche Bank, As Agent in conjunction with its proposed mortgage financing and/or general business decisions of the property for which this report has been prepared.

This report is for use and benefit of, and may be relied upon by "Deutsche Bank Securities Inc.," by the Bank of China, NY Branch, and by UBS Real Estate Securities Inc., their affiliates, agents and advisors, initial and subsequent holders from time to time of any debt, any indenture trustee, servicer or other agent acting on behalf of such holders of such debt and/or debt securities; any rating agencies; and the institutional provider(s) from time to time of any liquidity facility or credit support for such financings, and their respective successors and assigns.

As such the Client and affiliates, rating agencies and certain investors involved in the type of securitizations described below may use and rely on the report in its entirety, including reference to our name and the inclusion (whether in paper, digital, electronic, or any other form) or description of such reports in disclosure documents, and if such reports are included in disclosure documents, the reference to our name under the caption “Experts” in to the forgoing, which consent may be filed with the Securities and Exchange Commission. Said securitizations may be either of the following two types:

a) A private placement Rule 144A offering to “qualified institutional buyers”, as defined by Rule 144A (“Private Offering”), or

b) A publicly registered offering of securities (“Public Offering”)

In the case of a Public or Private offering, Client may accurately disclose the appraised value and the identity of our firm in the Offering Document or private placement memorandum.

This report is for the use and benefit of, and may be relied upon by, Goldman, Sachs & Co., Goldman Sachs Mortgage Company, GS Commercial Real Estate IP and any of their respective affiliates, agents and advisors, the initial and subsequent holders from time to time of any debt (or any portion thereof) and/or debt securities secured, directly and indirectly, by the property which is the subject of this report, by any participation interest in any such debt (or any portion thereof), and indenture trustee, servicer or other agent acting on behalf of such holders of such debt (or any portion thereof) and/or debt securities; any rating agencies; and the institutional provider(s) from time to time of any liquidity facility or credit support for such financings, and their respective successors and assigns.

In addition, this report or a reference to this report, may be included or quoted in any offering circular, registration statement, private placement memorandum, prospectus or sales brochure (in either electronic or hard copy format) in connection with a securitization or transaction involving such debt (or any portion thereof) and or debt securities.

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 **leased fee 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, 2012, is:

TWO BILLION DOLLARS

$2,000,000,000

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 **leased fee estate** of the referenced property, subject to the assumptions, limiting conditions, certifications, and definitions, on November 1, 2016, will be:

TWO BILLION THREE HUNDRED MILLION DOLLARS

$2,300,000,000

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.

Cushman & Wakefield, Inc. is the exclusive leasing agent for the property, which acts independently of the undersigned and precludes any conflicts of interest.

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
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SUMMARY OF SALIENT FACTS

GENERAL INFORMATION

Common Property Name:	1290 Avenue of the Americas
Location:	Between West 51st and West 52nd Streets New York, New York County, NY 10104 The subject property is located on the easterly blockfront of Avenue of the Americas between West 51st and West 52nd Streets in the Plaza office submarket in Midtown Manhattan.
Property Description:	1290 Avenue of the Americas is a modern 43-story Class A multi-tenant office property built in 1963 containing 2,113,259 square feet of net rentable area (1,897,471 square feet of gross building area) on an 89,775 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 2,103,288 square feet, while the future remeasured net rentable area is 2,113,259 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. Until these leases expire, our analysis uses the current net rentable area of 2,103,288 square feet per the rent roll and the current contract rent. When these leases expire, the future remeasured net rentable area of 2,113,259 square feet based on a 27.00 percent loss factor is applied to market rent. Please refer to the Income Capitalization Approach section of this appraisal for a detailed discussion of the subject's measurement.

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	It should be noted that throughout this appraisal we have analyzed the subject property based on the remeasured net rentable area of 2,113,259 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 1 in Block 1267
Interest Appraised:	Leased Fee Estate
Dates of Value:	November 1, 2012 "As Is"
	November 1, 2016 "Prospective Market Value"
Date of Inspection:	October 16, 2012
Ownership:	Vornado Realty Trust
Occupancy:	The property is currently 96.19 percent leased to 18 office tenants and 11 retail tenants. There are two vacant office spaces within the property on the 5th and 9th floors totaling 47,774± square feet. In addition, there is one vacant retail space within the property totaling 3,509± square feet. There are 17 vacant storage spaces on the basement and sub-basement level totaling 29,135± square feet available for lease.
Current Property Taxes	
2012/2013 Property Assessment:	$280,813,486
2012/2013 Property Taxes:	$28,793,267
Highest and Best Use	
If Vacant:	Multi tenant office building development.
As Improved:	As it is currently developed.
SITE & IMPROVEMENTS	
Zoning:	C5-3 and C5-2.5 Restricted Commercial Districts
Land Area:	89,775 square feet
Number of Stories:	43
Year Built:	1963
Type of Construction:	Structural steel and concrete with stainless steel and glass facade.
Gross Building Area:	1,897,471 square feet (Per Assessor)
Net Rentable Area:	2,103,288 square feet (Per Rent Roll/Leases)
	2,113,259 square feet (Remeasured)

VALUE INDICATORS

SALES COMPARISON APPROACH:

Indicated Value "As Is":	$2,000,000,000 (As of November 1, 2012)	
Per Square Foot (NRA):	$946.41	
Indicated Prospective Market Value:	$2,300,000,000 (As of November 1, 2016)	
Per Square Foot (NRA):	$1,088.37	

INCOME CAPITALIZATION APPROACH

DISCOUNTED CASH FLOW

Projection Period:	15 years	
Holding Period:	14 years	
Start Dates:	November 1, 2012 "As Is" November 1, 2016 "Prospective Market Value"	
Major Office Tenants:	Spaces larger than 25,000 square feet	
Minor Office Tenants:	Spaces smaller than 25,000 square feet	
Market Rental Rate- Office (Year 1):	<u>Floors</u>	<u>Rent</u>
	Floors 2-10	$55.00/sf
	Floors 11-16	$70.00/sf
	Floors 17-29	$80.00/sf
	Floors 30-43	$95.00/sf
Market Rental Rate-Retail (Year 1):	<u>Space</u>	<u>Rent</u>
	Avenue of the Americas	$450.00/sf
	West 51st Street:	$150.00/sf
	West 52nd Street":	$150.00/sf
	Side Street Large:	$100.00/sf
Market Rental Rate-Storage (Year 1):	$25.00/sf	
Rent Increase Profile:	For 10 and 15-year leases, 60-month step-ups of 10% are assumed.	
Growth in Market Rental Rate:	3.00% (Yr.2); 7.00% (Yr.3); 10.00% (Yr. 4); 7.00% (Yr.5); 5.00% (Yr.6); and 3.00% (thereafter)	
Expense and Tax Pass Throughs:	Gross leases – tenant pays pro-rata share of real estate taxes and operating cost increases over a lease base year.	
Expense Growth Rate:	3.00%	

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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
Vacancy and Credit Loss:	Zero (Credit Quality Tenants- AXA Equitable, Microsoft, Warner Music, Columbia University, JPMorgan Chase, Duane Reade, TD Bank and Sovereign Bank) and 2.00%(Other Tenants)
Terminal Capitalization Rate:	5.00%
Transaction Costs in Reversion Sale:	4.00%
Discount Rate:	7.00%
Date of Market Value "As Is":	November 1, 2012
Indicated Value "As Is":	$2,000,000,000 (As of November 1, 2012)
Implicit First year Capitalization Rate:	4.59%
Date of "Prospective Market Value":	November 1, 2016
Indicated "Prospective Market Value":	$2,300,000,000 (As of November 1, 2016)
Implicit First year Capitalization Rate:	4.41%

DIRECT CAPITALIZATION

Net Operating Income:	$101,537,158 (As of November 1, 2016)
Capitalization Rate:	4.50%
Indicated "Prospective Market Value":	$2,250,000,000 (As of November 1, 2016)

RECONCILED VALUE

Indicated Value "As Is":	$2,000,000,000 (As of November 1, 2012))
Per Square Foot (NRA):	$946.41
Indicated "Prospective Market Value":	$2,300,000,000 (As of November 1, 2016)
Per Square Foot (NRA):	$1,088.37

FINAL VALUE CONCLUSION

Market Value "As Is" Leased Fee Estate:	$2,000,000,000 (As of November 1, 2012))
Per Square Foot (NRA):	$946.41
Implied Capitalization Rate:	4.59%
"Prospective Market Value" Leased Fee Estate:	$2,300,000,000 (As of November 1, 2016)
Per Square Foot (NRA):	$1,088.37
Implied Capitalization Rate:	4.42%
Exposure Time:	6 months
Marketing Time:	6 months

EXTRAORDINARY ASSUMPTIONS

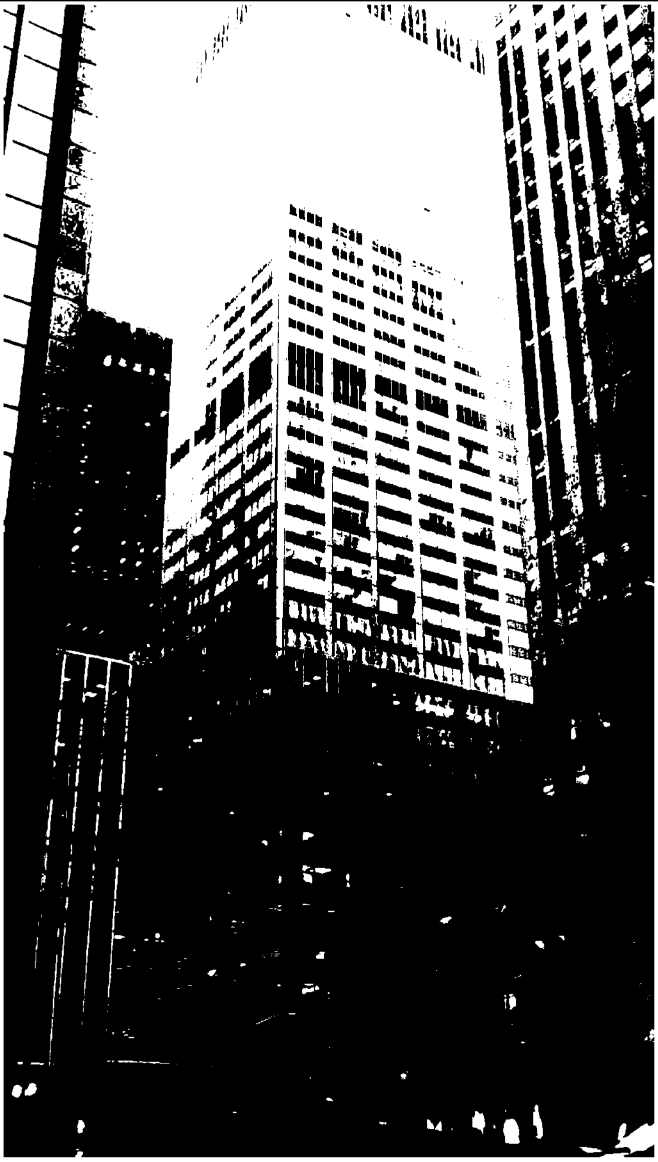
This appraisal does not employ any extraordinary assumptions. For a definition of Extraordinary Assumptions please see the Glossary of Terms & Definitions.

HYPOTHETICAL CONDITIONS

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

1290 AVENUE OF THE AMERICAS

1290 AVENUE OF THE AMERICAS



1290 AVENUE OF THE AMERICAS

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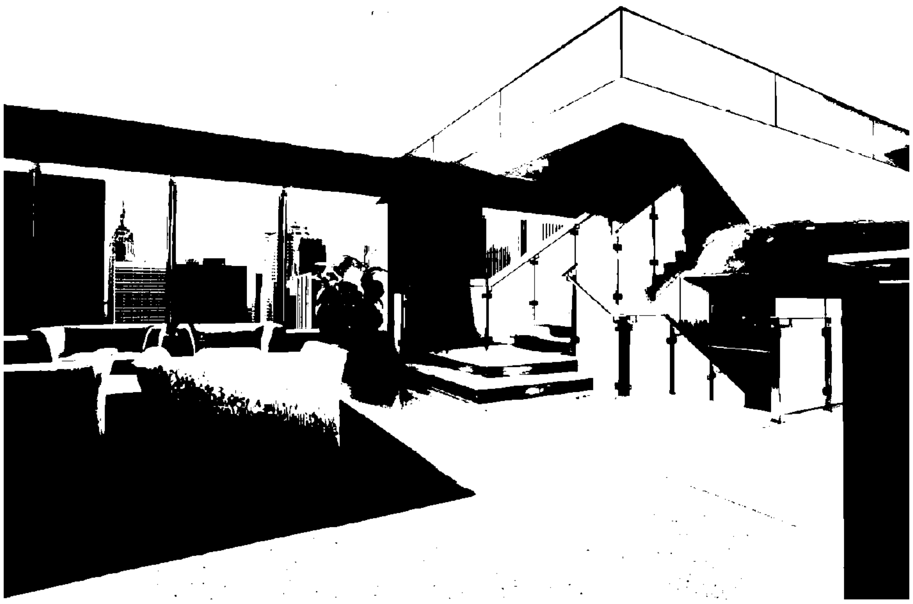
SUBJECT PROPERTY (INTERIOR VIEW)

SUBJECT PROPERTY (INTERIOR VIEW)



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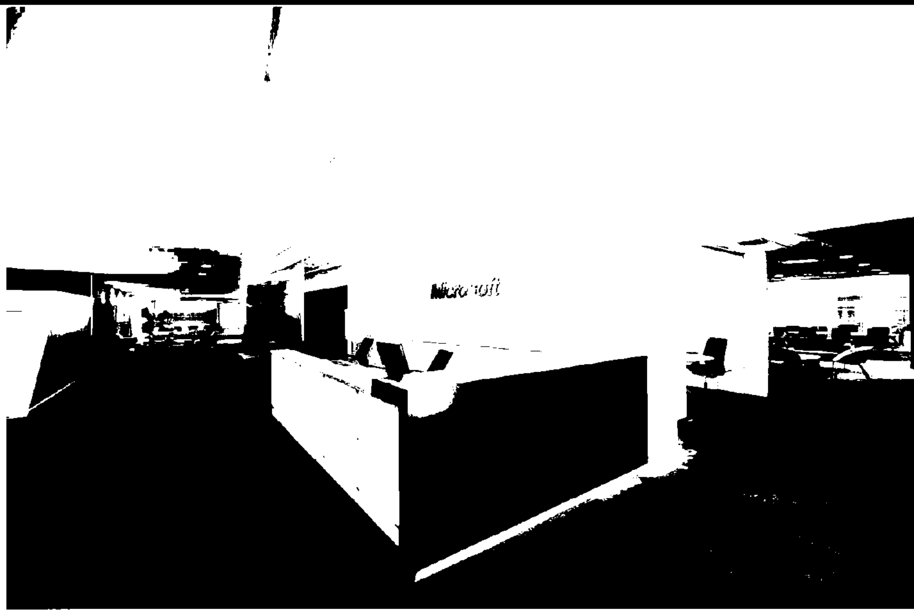
SUBJECT PROPERTY (INTERIOR VIEW)



SUBJECT PROPERTY (INTERIOR VIEW)

SUBJECT PROPERTY (VIEW FROM THE UPPER FLOORS)

SUBJECT PROPERTY (ENTRANCE)

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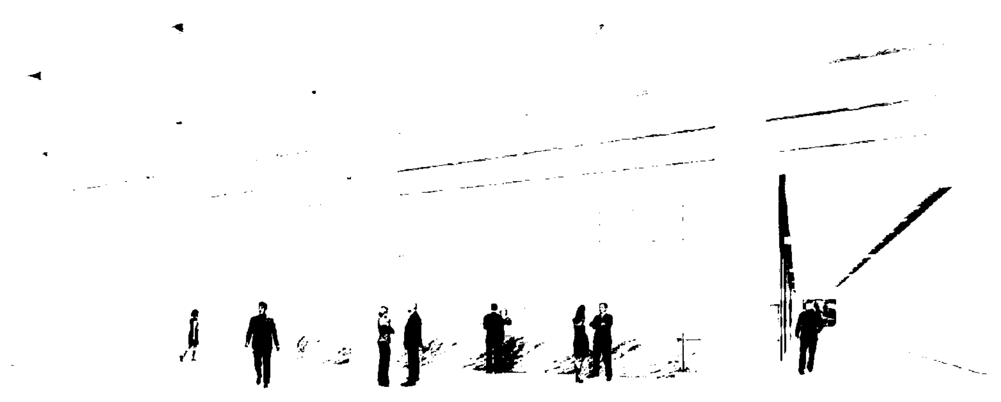
SUBJECT PROPERTY (RENDERING OF NEW ENTRANCE)

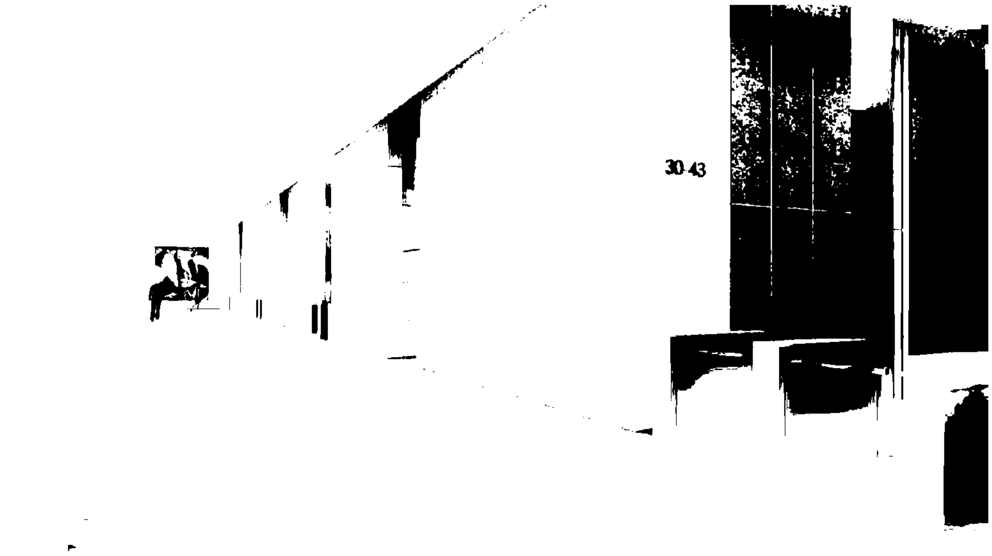
SUBJECT PROPERTY (LOBBY)

SUBJECT PROPERTY (RENDERING OF THE NEW LOBBY)



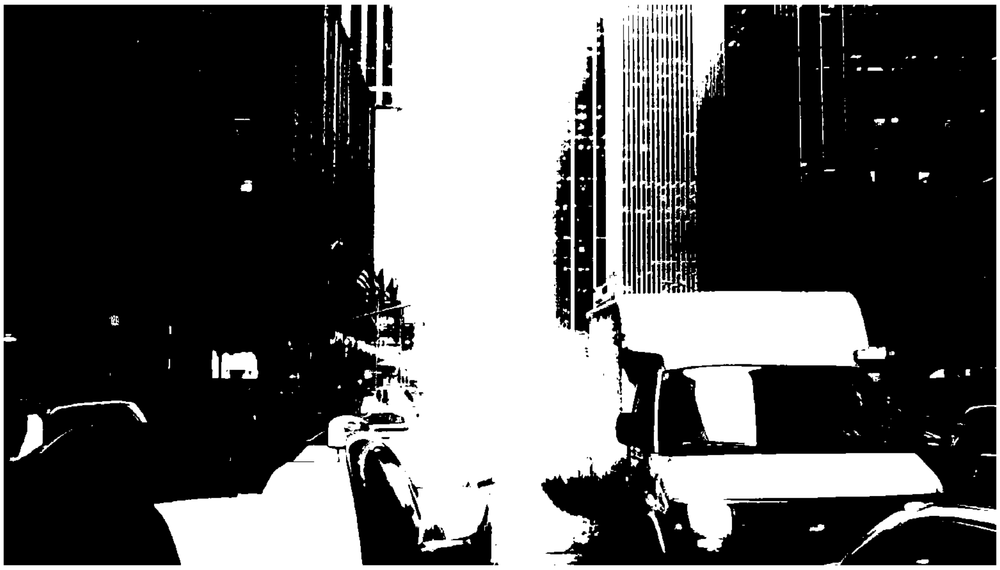
SUBJECT PROPERTY (LOBBY)

SUBJECT PROPERTY (RENDERING OF THE NEW LOBBY)

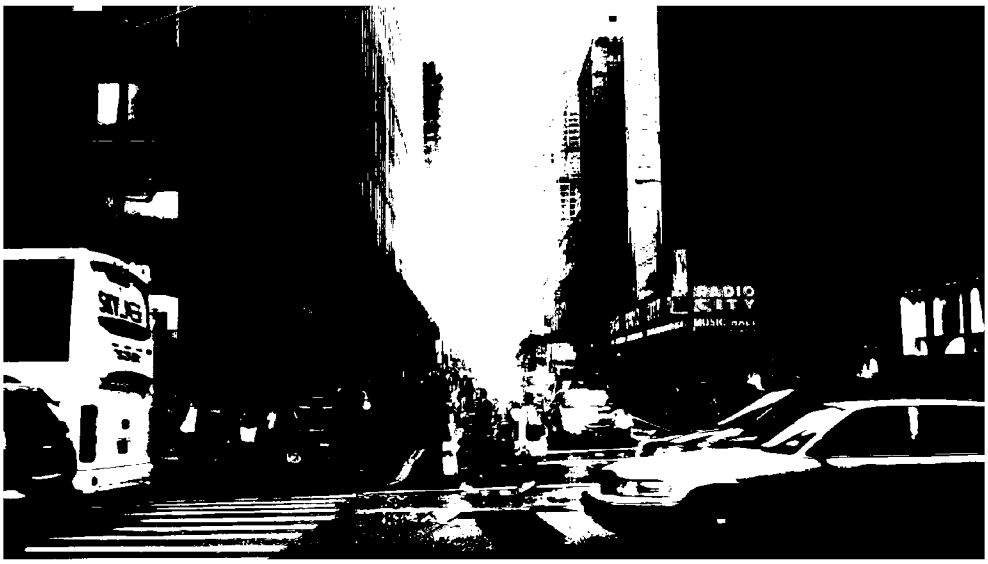


SIXTH AVENUE LOOKING NORTH (SUBJECT IS ON THE RIGHT)

SIXTH AVENUE LOOKING SOUTH (SUBJECT IS ON THE LEFT)



WEST 51ST STREET LOOKING EAST (SUBJECT IS ON THE LEFT)



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VALUATION & ADVISORY

WEST 52ND STREET LOOKING EAST (SUBJECT IS ON THE RIGHT)

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 the property manager and the chief engineer of the building.
- Reviewed leasing policy, concessions, tenant build-out allowances, and history of recent rental rates and occupancy with a representative of ownership; and several leasing and investment sales brokers and market research analysts including Franklin Speyer, Joshua Kuriloff, Tara Stacom, Robert Lowe, Robert Gallucci, 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 2012, 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” (2012 USPAP).

IDENTIFICATION OF PROPERTY

Common Property Name:	1290 Avenue of the Americas
Location:	Between West 51st and West 52nd Streets New York, New York County, NY 10104 The subject property is located on the easterly blockfront of Avenue of the Americas between West 51st and West 52nd Streets in the Plaza office submarket in Midtown Manhattan.
Property Description:	1290 Avenue of the Americas is a modern 43-story Class A multi-tenant office property built in 1963 containing 2,113,259 square feet of net rentable area (1,897,471 square feet of gross building area) on an 89,775 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 2,103,288 square feet, while the future remeasured net rentable area is 2,113,259 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. Until these leases expire, our analysis uses the current net rentable area of 2,103,288 square feet per the rent roll and the current contract rent. When these leases expire, the future remeasured net rentable area of 2,113,259 square feet based on a 27.00 percent loss factor is applied to market rent. Please refer to the Income Capitalization Approach section of this appraisal for a detailed discussion of the subject's measurement. It should be noted that throughout this appraisal we have analyzed the subject property based on the remeasured net rentable area of 2,113,259 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 1 in Block 1267
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 1 in Block 1267.

PROPERTY OWNERSHIP AND RECENT HISTORY

Current Ownership:	Vornado Realty Trust
Sale History:	The property was acquired in March 2007 from Hudson Waterfront Associates by Vornado Realty Trust, who purchased a 70 percent controlling interest in 1290 Avenue of the Americas (subject property) and 555 California Street located in San Francisco. The purchase price for Vornado's interest is $1.807 billion. The allocation of the purchase price is approximately $773 per square foot for 1290 Avenue of the Americas and approximately $575 per square foot for 555 California Street. The Trump Organization owns the remaining 30 percent minority interest in the property. According to our discussions with representatives of Vornado Realty Trust, the sale reflected a discount since Vornado acquired on-going litigation associated with the Trump Organization. The property was previously sold in April 2006 to Hudson Waterfront Associates from Jamestown Associates for a purchase price of $1,246,450,000. The property was renamed in 2005 to the AXA Financial Center after AXA Financial Inc. and AXA Equitable Life Insurance Co. became the largest tenants in the building. There have been no other sales 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, 2012 "As Is" November 1, 2016 "Prospective Market Value"
Date of Inspection:	October 16, 2012
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 leased fee interest in the property for the use of the client in connection with internal business 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 Deutsche Bank, As Agent, Bank of China, UBS Securities LLC and Goldman Sachs Mortgage Company, and is intended only for its specified use in connection with mortgage underwriting and loan placement. It may be distributed to the client's attorneys, accountants, advisors and investors.

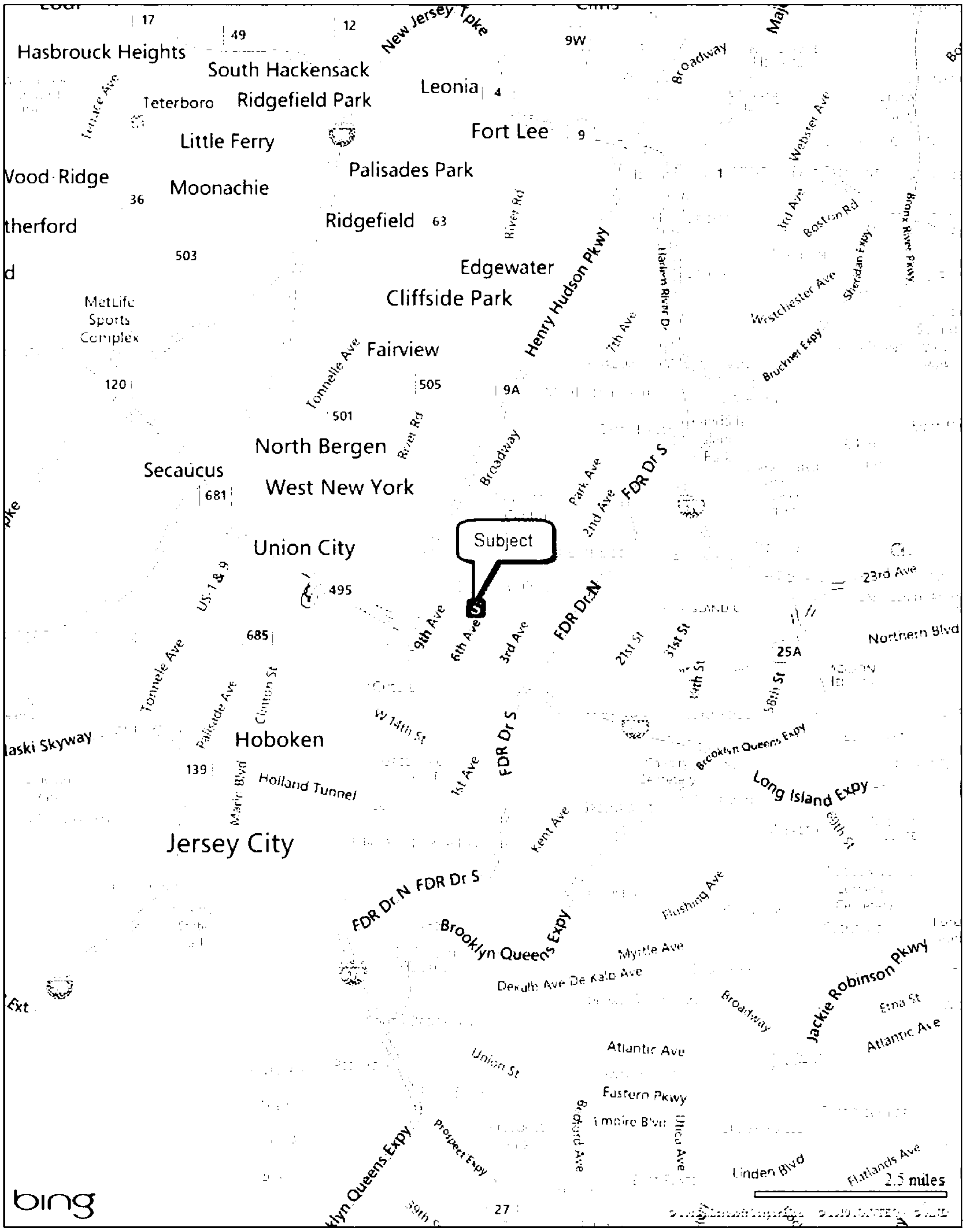
EXTRAORDINARY ASSUMPTIONS

This appraisal does not employ any extraordinary assumptions.

HYPOTHETICAL CONDITIONS

This appraisal does not employ any hypothetical conditions.

REGIONAL MAP



NEW YORK REGIONAL MARKET ANALYSIS

INTRODUCTION

MARKET DEFINITION

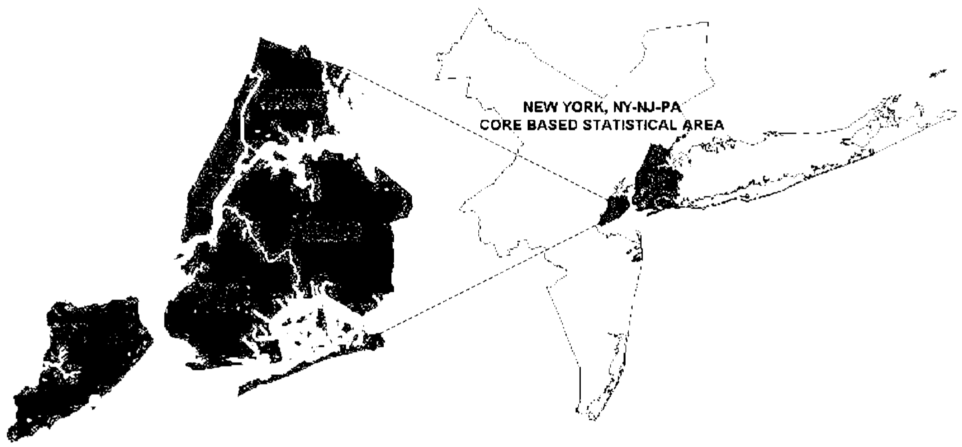
New York City consists of five counties at the mouth of the Hudson River in the southeast area of New York State. The borough of Manhattan, also referred to as New York County, forms the political, financial and cultural core of the City. It is the economic growth engine of the Greater New York Region. 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 complete with all of the jobs lost in recession regained. Only thirty metro-areas have been able to accomplish this out of four-hundred total. The city's payroll employment set a new record in April after private sector employment had done so in January. Hiring in the private sector remains robust, but weakness in the government sector had been holding overall employment back. The local government is still having financial issues and has continued to reduce employment, mostly through attrition. Wall Street has been shedding jobs in the beginning of the year but the industry is expected to return to growth by the third quarter. Despite this, New York City's recovery is still outpacing the rest of the country.

The city's tourism industry has been one of the biggest drivers of the recovery. According to NYC & Co., total visitors to the city rose to 50.5 million in 2011, a record high. Tourists spent $32.0 billion at local businesses, which drove employment increases in hospitality and retail sectors. Broadway reported record numbers for the 2011-2012 season with $1.1 billion in revenue. Performance like this is expected to continue as New York City draws in more tourists and their discretionary income.

Further considerations are as follows:

- The health of the tourism industry has created a building boom in the city. From 2012-2014, 6,200 hotel rooms will be added to the city's inventory. Bringing total active inventory to 96,000 rooms.
- 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 30.0 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 3.3 percent in 2011, almost twice the national average. The city's business services and tech industries have added to gains from tourism, leading to such an impressive gain. For 2012, growth will remain above the country with a forecasted rate of 2.4 percent.
- Annual revisions sent the unemployment rate up in January to 9.3 percent, well above the national average of 8.3 percent. As of April, the unemployment rate is 9.5 percent. While the city is seeing very strong employment growth, this has brought significant increase to the labor force with so many opportunities now available. Unemployment may remain high because of this but it does not paint an accurate picture of the labor market.

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 30.0 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 decrease slightly recently to 36.0 years, lower than the national median of 37.0 years. This is another year in which the median age has decreased, possibly a result of the expanding tech industry.
- New York's average household income ($71,216) is slightly higher than the country ($67,303). When looking at median household income, the roles are reversed. Median income in New York is $47,277, while the country's median household income is $49,540.
- New York City leads the national average in residents with at least a Bachelor's Degree by 6.0 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
2012 Estimates

Characteristic	New York City	U.S.
Median Age (years)	36.0	37.0
Average Annual Household Income	$71,216	$67,303
Median Annual Household Income	$47,277	$49,540
Households by Annual Income Level:		
<$25,000	29.5%	23.8%
$25,000 to $49,999	22.8%	26.7%
$50,000 to $74,999	16.6%	19.5%
$75,000 to $99,999	10.7%	11.9%
$100,000 plus	20.5%	18.2%
Education Breakdown:		
< High School	21.0%	14.9%
High School Graduate	24.9%	28.7%
College < Bachelor Degree	20.4%	28.5%
Bachelor Degree	19.9%	17.6%
Advanced Degree	13.9%	10.3%

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

POPULATION

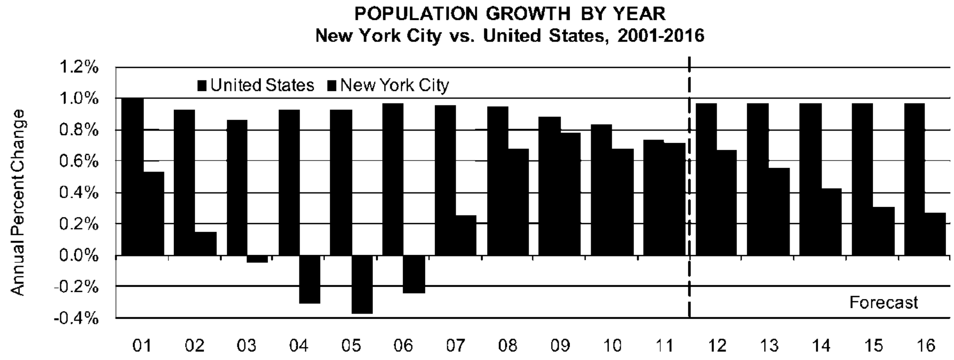
The population density in New York City will always prevent the city from growing at national averages. Currently, the population of New York City sits at 8.2 million. Expanding upon this is difficult considering how little buildable land there is. In recent years, a trend of redeveloping former industrial 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 2011 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 0.3 percent, compared to the expected national annual growth rate of 0.8 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 2001-2016						
Population (000's)	**2001**	**2011**	**Forecast 2012**	**Forecast 2016**	**Compound Annual Growth Rate 01-11**	**Compound Annual Growth Rate 12-16**
United States	284,969.0	311,591.9	314,609.5	326,956.5	0.9%	0.8%
New York City	**8,059.8**	**8,244.9**	**8,300.2**	**8,431.2**	**0.2%**	**0.3%**
Bronx County	1,346.6	1,392.0	1,401.2	1,423.4	0.3%	0.3%
Kings County	2,477.3	2,532.6	2,551.3	2,605.5	0.2%	0.4%
New York County	1,555.7	1,601.9	1,611.7	1,621.5	0.3%	0.1%
Queens County	2,231.3	2,247.8	2,262.1	2,300.3	0.1%	0.3%
Richmond County	449.0	470.5	473.9	480.5	0.5%	0.3%

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

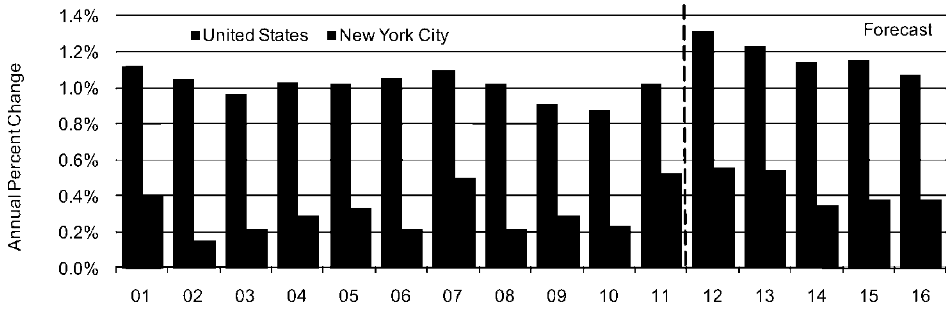
HOUSEHOLDS

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

Further considerations are as follows:

- From 2001 to 2011 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 0.9 percent.

The following graph compares historical and projected household formation 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

ECONOMIC TRENDS

GROSS METRO PRODUCT

One of the city's biggest new growth drivers has been the tech industry. Giants like Google and Facebook have been expanding while smaller tech firms and startups are popping up in "Silicon Alley". The industry has actually been one of the biggest consumers of office space in the city this past year. Expansion will continue as Cornell University will build a $2.0 billion high-tech graduate school on Roosevelt Island. It will take a little time before new jobs and businesses spring from this project but the industry will own a larger and larger share of the city's economic output. In fact, New York City's tech industry is leading the country in growth.

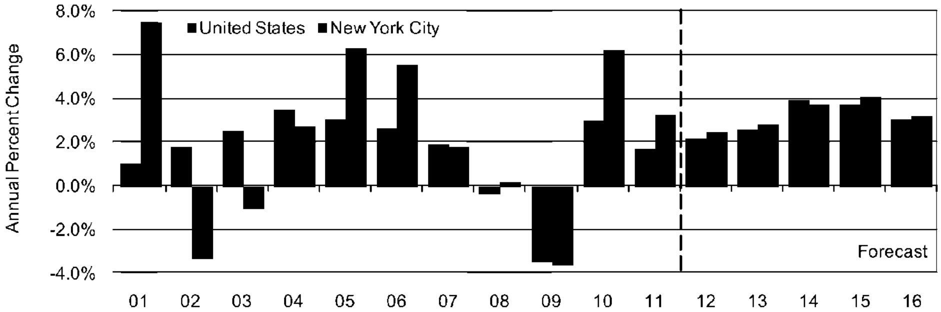
Another industry seeing large growth is the city's tourism industry. NYC & Co. estimates the industry contributes around 20.0 percent to total GMP annually. High tourism generates revenue for both leisure/hospitality and retail sectors. NYC & Co. reports New York City saw a record of 50.5 million visitors in 2011. 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 2011, New York averaged 1.8 percent annual GMP growth, slightly higher 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 2.9 percent and slightly higher than the national annual rate of 2.6 percent.

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

REAL GROSS PRODUCT GROWTH BY YEAR
New York City vs. United States, 2001-2016



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

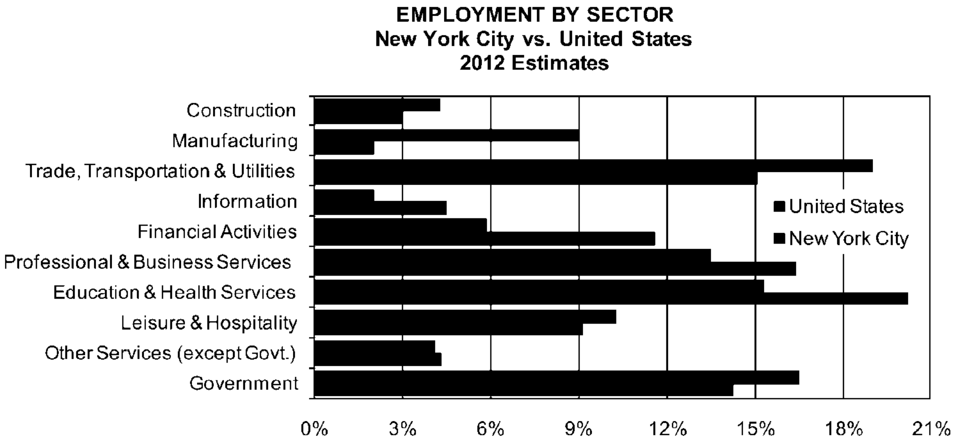
Employment Distribution

New York City is heavily weighted in office-using employment, 32.1 percent of employment compared to 24.4 percent for the national average. This is one reason the city has been able to expand economically at faster than average rates. It also isn't saddled by traditionally underperforming sectors like manufacturing.

Further considerations are as follows:

- More New Yorkers are employed in education/health services than any other sector, comprising 20.2 percent of the workforce. The national average is currently at 15.3 percent.
- The sector with the lowest employment in the city is manufacturing, which accounts for 2.0 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, 11.5 percent to 5.8 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

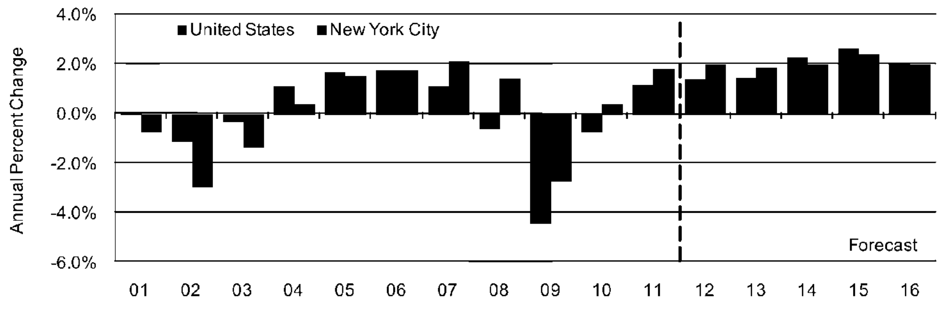
New York City has now reached a new peak in overall employment in April of 2012. Private sector employment had reached a new peak in January but the public sector has been shedding jobs. The sector is down 0.7 percent in April from a year prior. Despite this weakness, almost all employment sectors are showing year-to-year increases.

Further considerations are as follows:

- According to the latest numbers, New York is seeing the greatest growth in the professional/business services sector. In April 2012, the sector was up 5.0 percent from a year ago.
- 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 3.1 percent from a year ago. The resurgence of this sector is mostly driven by the tourism the city is seeing.
- From 2001-2011, employment in New York grew by 0.2 percent annually. During the same time period the nation showed no average annual growth.
- The city is expected to remain in line with the country over the next five years, showing an average annual employment growth rate of 1.7 percent for each.

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, 2001-2016



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

UNEMPLOYMENT

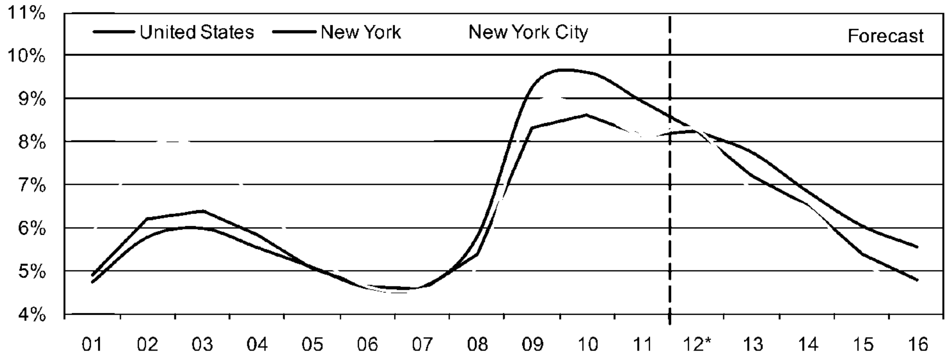
By the end of April 2012, New York City's unemployment rate was 9.5 percent, according to the Bureau of Labor Statistics. The inflation of the unemployment rate the past few months is likely a result of workers returning to the labor force. Employment in the city has continued to grow despite some economic concerns during the last half of 2011. This will continue through 2012 and the unemployment rate will decrease as a result.

Further considerations are as follows:

- New York City's unemployment rate averaged 6.7 percent from 2001-2011, higher than the nation's 6.4 percent.
- Over the next five years, New York City's unemployment rate will average 6.3 percent compared to 6.9 percent for the country. The city's job sector will continue to improve greatly in the near future and this will pull the city ahead of the national average.

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, 2001-2016



Source: Data Courtesy of Moody's Economy.com and Cushman & Wakefield Valuation & Advisory
Note: Shaded bars indicate periods of recession
*First Quarter 2012

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. Having such a diverse employment-base and highly skilled workers has given New York City an advantage in recovery. Local efforts to boost both the tech industry and tourism have been very successful to the economy now and will continue to do so for the future. The city is one of only thirty metro-areas that have recovered all of the jobs lost in recession and employment is reaching new peaks. This will continue despite weakness in the public sector and a recession in Europe.

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 city has not seen any effect of the crisis in employment or tourism numbers and should resilient to a slowdown.
- 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 2012 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 rate 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.

MIDTOWN MANHATTAN OFFICE MARKET ANALYSIS

INTRODUCTION

CURRENT TRENDS

New leasing activity in Midtown continues to be a problem after a very strong 2011, but renewals have become much more prevalent in 2012. One very large renewal took place in the second quarter, being Viacom's 1.4 million square foot deal at 1515 Broadway. Around 4.3 million square feet of space has been renewed through the first half of the year, or 39.8 percent of all leasing activity. Renewals do not show up in statistics, as leasing activity only counts new leases, but it does show that there are deals happening. The Midtown office market is expected to improve in the last half of 2012, mostly because of New York City's stellar employment sector.

Employment in New York City has been growing rapidly the past two years with broad expansion across sectors. The city has added more than 50,000 jobs this year, 17,000 of which were in the professional/business services and financial sectors. These office-using sectors are important for both the city's economy and the Midtown office market. Office-using employment has not reached the previous peak set in 2001 but is well on its way.

Office-using employment is the main growth driver in New York City's office market and is primarily made up of the financial services, professional/business services and information sectors. In total, these industries account for roughly 29.5 percent of employment. New York City has regained all of the office-using jobs lost in recession and is headed toward the previous peak. Much of the city's success is attributable to the tech industry.

New York City's tech industry has expanded greatly in both employment and footprint in Manhattan. The information/media sector, which encompasses the tech industry, now occupies 16.4 percent of total space within Manhattan. This could be the new trend of the post-recession office market, as financial services firms cope with new federal regulations and a recession in Europe.

Listed below is Midtown office market highlights for second quarter 2012:

- Midtown's overall vacancy rate (including all classes and types) decreased by 0.1 percentage points from the first quarter to 9.8 percent. This is one of the lowest vacancy rates of all central business districts in the country. Over the next twelve months overall vacancy will trend slightly downward.
- Office construction continues in 2012 as financing and prospective tenants were easier to secure. Right now there is 1.2 million square feet of rentable office space under construction in the market.
- Overall asking rents (including all classes and types) decreased from the first quarter to $66.44 per square foot, a fall of $0.24 per square foot from the previous quarter. While the overall market saw a small decline Midtown's class A direct space saw an increase of $1.59 per square foot.
- As previously stated, many deals this year have been renewals. This has kept leasing activity stats down, 41.9 percent lower than a year ago, but it also keeps space from becoming unoccupied.
- Much of this leasing activity involves class A space as many businesses appear to be taking advantage of favorable prices and incentives for quality space. Of the 6.5 million square feet of space leased during the year, 4.6 million of it was class A.
- Absorption (defined as the net gain in occupancy) remained negative in the second quarter but did improve from the first quarter. Net absorption ended the first half of the year at negative 484,196 square feet, which means 392,158 square feet of space became occupied in the second quarter.

MARKET CHARACTERISTICS

Las Vegas has its hotels and Midtown has its office buildings. The Midtown office market has many signature buildings structuring its skyline. From 9 West 57th Street, the GM Building and the Bank of America Tower, Midtown has some of the most recognizable and luxurious office buildings in the country. These buildings attract some of the biggest companies from across the world despite the fact that the cost of doing business in the city is 50.0 percent higher than the national average. All of this contributes to the historically nation-leading asking rents.

Midtown Manhattan is by far the largest and most affluent office market in the country, containing 241.5 million square feet within its 11 major submarkets: Murray Hill, Grand Central, the United Nations, East Side, Park Avenue, Madison/Fifth Avenue, Sixth Ave/Rock Center, the West Side, Penn Station, Times Square South and Lincoln Center. Almost all of the Midtown submarkets are home to trophy office properties and/or historic landmarks, together housing 181.0 million square feet of class A office space, or approximately 74.9 percent of the Midtown market.

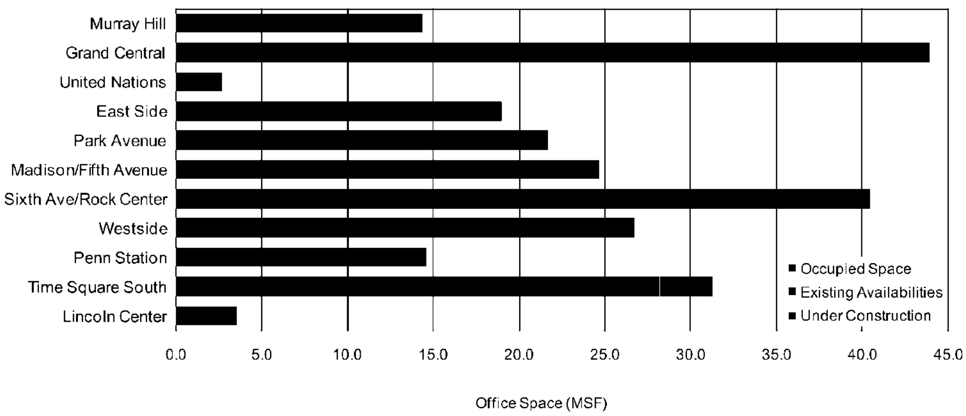
Listed below are characteristics of the Midtown office market through the second quarter of 2012:

- Murray Hill is located in Midtown's most southeastern corner, with the Midtown South market to its south and Midtown's largest submarket, Grand Central, to its north. Office inventory in Murray Hill contains 14.4 million square feet, 6.9 million square feet of which is class A space.
- The Grand Central submarket, containing 44.0 million square feet of office space, is Midtown's largest office submarket. Grand Central is located in the eastern portion of Midtown, bordering other primary office submarkets such as Park Avenue, Sixth Ave/Rock Center, and Madison/Fifth Avenue. With 36.4 million square feet of class A space, Grand Central is also the second largest submarket of primary office inventory in the country, behind the Sixth Ave/Rock Center submarket. Grand Central Terminal, after which the submarket is named, is located on 42nd Street and Park Avenue, houses over 2.0 million square feet of space and consists of a total land area of 48-acres.
- The United Nation's submarket, with 2.7 million square feet of office space, is Midtown's smallest submarket and is comprised of class A and B space only. The United Nations headquarters, after which the submarket is named, is located on 18-acres in eastern Midtown and is considered international territory, not officially belonging to the United States.
- Midtown's East Side is located in the most northeastern portion of Midtown, extending as far as East 72nd Street. The East Side contains 18.9 million square feet of office inventory, 17.7 million square feet of which is class A space.
- Park Avenue sits between the Madison/Fifth Avenue and East Side submarkets, spanning Park Avenue from East 43rd Street to East 72nd Streets. Because of its primary location, the Park Avenue submarket contains only class A office space, totaling 21.7 million square feet. The MetLife building, formerly known as the PanAm building, at 200 Park Avenue, contains over 2.3 million square feet of space and is one of the essential components of the Manhattan skyline.
- The Madison/Fifth Avenue submarket is also a prominent area of Midtown, with 24.7 million square feet of office space. Class A space totals 21.6 million square feet in the submarket. Along with affluent office space, Madison and Fifth Avenue is home to the most expensive retail in the world.
- Sixth Ave/Rock Center has historically competed with the Grand Central submarket for the most inventories. As of the second quarter, Sixth Ave/Rock Center contained 40.1 million square feet of office space, 38.0 million of which was class A, making it the largest submarket of primary office inventory in the country. Rockefeller Center, after which the submarket is named, consists of 19 buildings covering 22-acres between 48th and 51st Streets, and totals at over 8.0 million square feet of commercial space.

- The West Side, located on Midtown's western border, just south of the Lincoln Center submarket and north of Times Square South, contains 25.8 million square feet of office inventory. The West Side is home to the world famous Times Square junction of Broadway and Seventh Avenue, spanning 42nd to 47th Streets, the area typically thought of as the center of New York City.
- Penn Station, named after the modern Pennsylvania Station located between 7th and 8th Avenues, and 31st to 33rd Streets, contained 14.6 million square feet of office space at the end of the quarter. Approximately 6.6 million square feet is classified as class A space and approximately 5.8 million square feet is class B.
- Times Square South is the submarket bordering the southern side of Times Square and north side of the Penn Station submarket. Almost half of the submarket's 31.2 million square feet is class B space, making it the largest inventory of class B properties than any other Midtown submarket.
- Lincoln Center is Midtown's second smallest office submarket, housing 3.5 million square feet. Lincoln Center is 69.8 percent class A office space and is named after the Lincoln Center for the Performing Arts campus located on 16-acres between West 60th and 66th Streets.

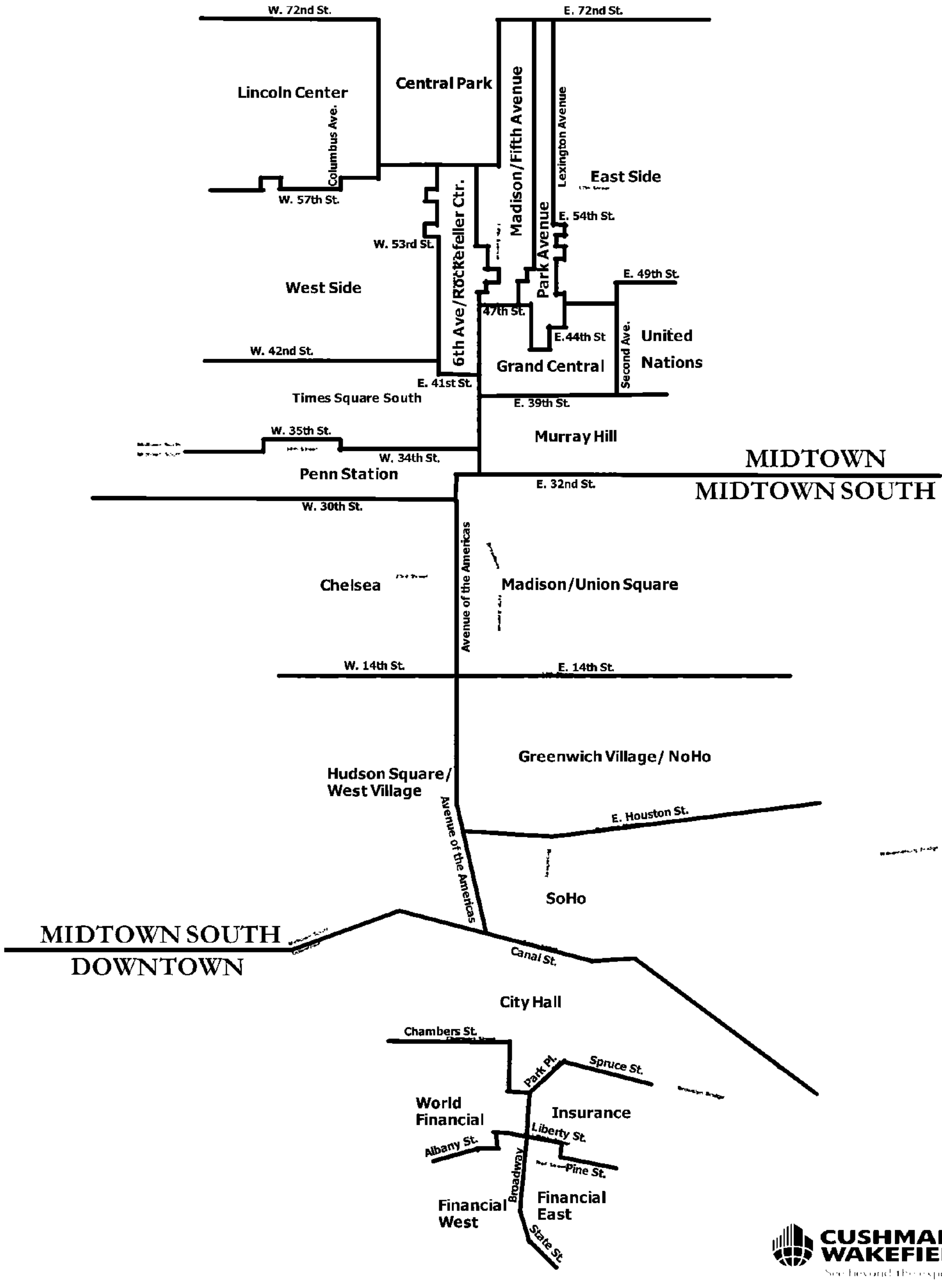
The following graph demonstrates the Midtown office market's office submarket breakdown:

OFFICE INVENTORY BY MAJOR SUBMARKET
MIDTOWN
SECOND QUARTER 2012



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.
Lincoln Center
Central Park
Columbus Ave.
Madison/Fifth Avenue
Lexington Avenue
East Side
W. 57th St.
6th Ave/Rockefeller Ctr.
Park Avenue
E. 54th St.
W. 53rd St.
E. 49th St.
West Side
47th St.
E.44th St
United Nations
Second Ave.
W. 42nd St.
Grand Central
E. 41st St.
Times Square South
E. 39th St.
W. 35th St.
Murray Hill
W. 34th St.
MIDTOWN
Penn Station
E. 32nd St.
MIDTOWN SOUTH
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
State St.
CUSHMAN & WAKEFIELD

SUPPLY ANALYSIS

VACANCY

In the Midtown office market, possibly the most important indicator of health is the vacancy rate. What makes vacancy so important is this is the total supply of the market, i.e. how much space is available. The higher the supply, the more difficult it is for asking rents to increase. In many cases ballooning vacancy rates cause asking rents to fall. This is what transpired in Midtown when the economic recession began to affect the office market. It is important to note that Cushman & Wakefield Research Services includes space that has an availability date within six months in the vacancy rate.

In the second quarter, overall vacancy dropped slightly from the previous quarter, 0.1 percentage points to 9.8 percent. Despite slow new leasing activity, a large number of renewals have kept vacancy hovering for the past few quarters. For the next twelve months, overall vacancy should trend flat to slightly lower levels.

Listed below are vacancy rate highlights for the Midtown office market as of second quarter 2012:

- Direct vacancy has steadied at 8.2 percent, while there was a small, 0.1 percentage point decrease in sublease space.
- Class A direct space was also firm at 8.6 percent in the second quarter, another result of the slowdown in activity.
- The Madison/Fifth submarket continues to have the highest direct vacancy in Midtown with 11.8 percent, down 0.1 percentage points from the previous quarter.

The following table shows Midtown's submarket statistics for the second quarter:

Office Market Statistics by Submarket
Manhattan - Midtown
Second Quarter 2012

Market/Submarket	Inventory	Overall Vacancy Rate	Direct Vacancy Rate	YTD Construction Completions CBD	YTD Overall Absorption	Under Construction	Direct Wtd Avg Class A Asking Rent	Overall Wtd Avg Asking Rent
Murray Hill	14,366,499	5.3%	5.0%	0	250,589	0	$54.44	$47.44
Grand Central	43,970,528	10.8%	9.2%	0	-90,730	0	$57.61	$55.72
United Nations	2,669,648	1.9%	1.9%	0	-43,177	0	$53.74	$53.74
East Side	18,894,525	9.6%	8.0%	0	-114,569	20,300	$63.52	$62.85
Park Avenue	21,652,799	9.6%	7.2%	0	-30,187	0	$83.70	$81.87
Madison/Fifth Avenue	24,670,627	13.9%	11.8%	0	52,018	0	$101.37	$96.16
Sixth Ave/Rock Center	40,124,858	9.5%	6.7%	0	-186,795	315,000	$79.07	$72.37
Westside	25,786,088	9.6%	7.7%	0	-58,550	896,000	$66.10	$61.69
Penn Station	14,591,335	8.9%	8.7%	0	-194,069	0	$57.56	$46.57
Time Square South	31,235,607	9.8%	9.0%	0	-34,777	0	$71.58	$54.75
Lincoln Center	3,543,743	7.5%	7.3%	0	-33,949	0	$47.75	$43.25
CBD TOTAL	**241,506,257**	**9.8%**	**8.2%**	**0**	**-484,196**	**1,231,300**	**$73.67**	**$66.44**

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 the Manhattan West project have 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.

CUSHMAN & WAKEFIELD VALUATION & ADVISORY

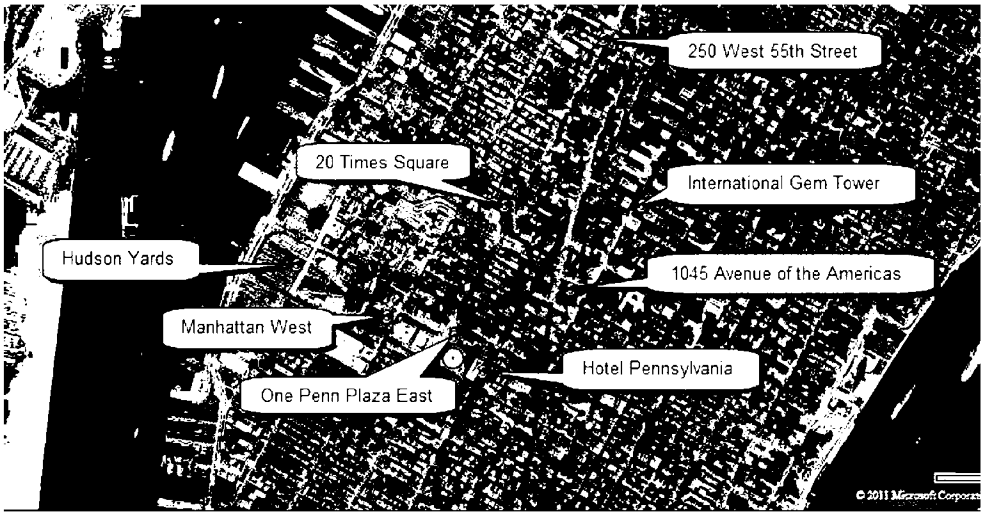
Proponents of this construction mention the need for New York City to keep pace with international cities like Shanghai, Singapore and Sao Paulo, as cities like these have been building state-of-the-art office towers at a much faster rate than New York City. According to the Real Estate Board of New 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.

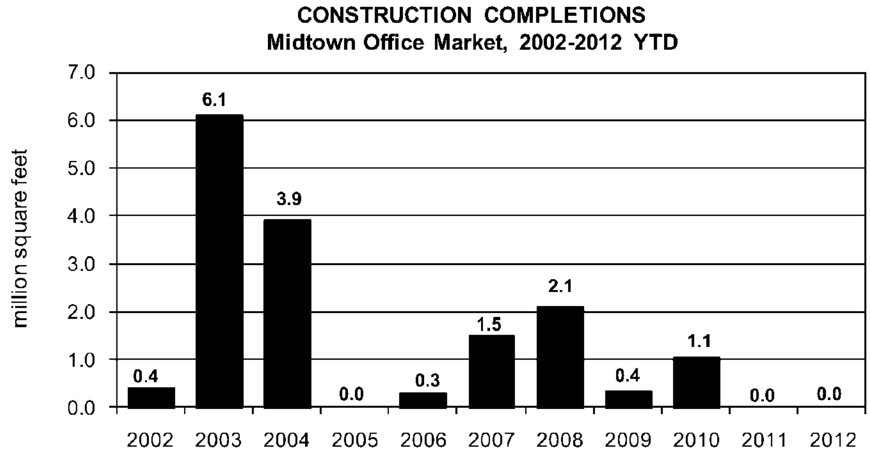
Further considerations are as follows:

- The 896,000 square foot tower at 250 West 55th Street being developed by Boston Properties is now under construction after acquiring an anchor tenant in Morrison & Foerster. Morrison & Foerster will be leasing 180,000 square feet in the building and occupancy is expected by mid-2014.
- The construction of the 748,000 square foot, $433.5 million International Gem Tower on West 47th Street broke ground in August 2007. The tower, when completed, will contain modern office space, underground parking, a maximum-security vault and a museum. More than half of the building will be sold as office condominiums and 315,000 square feet will be rentable office space. A completion date of January 2013 has been set.
- Manhattan West is a 5.4 million square foot office project located just west of Penn Station being developed by Brookfield Properties. The property will consist of two towers, one 66 stories and the other 60, respectively. Construction of the platform above the train tracks will begin in 2012 and completion is expected in late 2015.
- In 2007, the New York City MTA issued an RFP for the Eastern and Western Railyards located between 10th and 12th Avenues and West 30th and West 34th Streets, a key step to development on this 24-acre site known as Hudson Yards. Zoning has been completed for the Eastern section, allowing a maximum office space of three 1.8 million square foot towers. The extension of the number 7 train route to the development site has now completed tunneling, and will provide transport to and from the project when completed in 2013. Recently, Related Companies signed an anchor tenant for the first tower of the project. Coach will take 700,000 square feet in the two million square foot tower.
- While approved, construction for 15 Penn Plaza has yet to take place. Vornado Realty Trust was planning to develop 15 Penn Plaza into a 67-story, 2.1 million square foot office tower that would include five 95,000 square foot trading floors, while the remaining floors would have 45,000 square foot floor plates. Recently, Vornado has entertained the idea to renovate Hotel Pennsylvania instead. Competition from both Hudson Yards and Manhattan West may be a concern in constructing a massive office building. If Vornado is able to secure an anchor tenant for the office tower then construction is likely to begin.
- Vornado's 45-story, One Penn Plaza East also remains on hold. The company is offering to pay for improvements to the Herald Square-Penn Station mass transit system. The plan would include new subway entrances and the reopening of an underground pedestrian tunnel. In exchange, Vornado would receive building variances for the proposed office tower. The variances would allow the tower to house over 2.0 million square feet of space.
- After a decade of work, Vornado is walking away from developing an office tower above the Port Authority Bus Terminal. The project was called 20 Times Square and was nixed when SoHo China backed out of the partnership.
- One of the smaller, but significant, construction projects in Midtown is the project at 1045 Avenue of the Americas, or 7 Bryant Park. The 450,000 square foot building is just off of Bryant Park and will raise over 30 stories. No completion date is set for the Hines Interests/Milliken property but building permits have been filed and underground work with the MTA are going through approvals.

The following map is an aerial view of the Midtown market, highlighting each development site previously mentioned:



The following graph shows a timeline of construction completions in Midtown's office market since 2002:



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

ASKING RENTS

At the peak of the market in the third quarter of 2008, Midtown's overall average asking rent was $84.48 per square foot, up 83.0 percent from a trough in 2004. The Midtown South and then Downtown markets followed, with Boston showing the fourth highest asking rents in the country at $50.09 per square foot, and the first market on the list outside of New York.

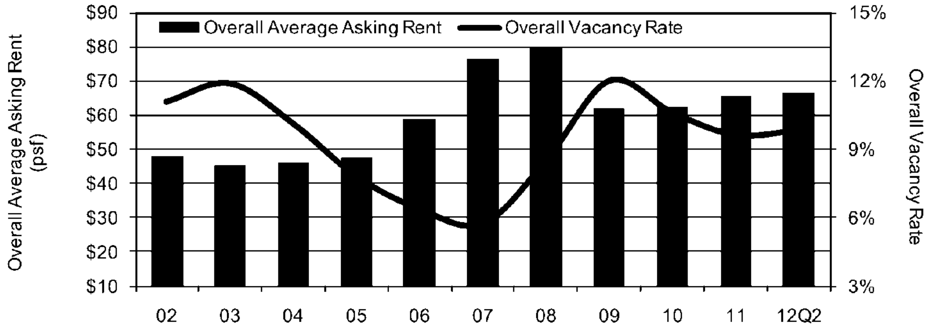
Midtown's office market still leads the country in asking rents during this recovery with an overall asking rent of $66.44 per square foot. Overall asking rents are $0.24 per square foot lower than the previous quarter but are still up 4.9 percent from a year ago. Despite a small decline from the previous quarter, asking rents are higher than they were at the same point in the previous cycle and will rise over the course of the next twelve months.

Further considerations are as follows:

- Direct asking rents in Midtown ended the second quarter at $67.55 per square foot. This is a decrease of $0.20 per square foot from the previous quarter.
- Class A direct asking rents are up $1.59 per square foot from the previous quarter and 3.9 percent from the previous year to $73.67 per square foot. Even with slow new leasing, the desirability of Midtown office space is allowing landlords to increase asking rents.
- The Madison/Fifth Avenue submarket commands the highest class A direct rents at $101.37 per square foot. Surprising, given the submarket also has the highest overall vacancy rates. Madison/Fifth Avenue is one of the most desirable locations in the market which can account for such high asking rent. Comparing the submarkets to the trough of the market in March of 2010, almost every submarket is showing positive growth with Park Avenue showing the highest with $12.29 per square foot.

The following graph demonstrates Midtown overall vacancy rates and asking rent trends between 2002 and second quarter 2012:

OVERALL VACANCY RATE & OVERALL ASKING RENT BY YEAR
MIDTOWN, 2002-12Q2



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

DEMAND ANALYSIS

LEASING ACTIVITY

During the recession leasing activity was anemic and could not offset the large amount of space that flooded the market. Leasing activity jumped during the first half of 2011 and the market was on pace to set new records. The fallout from the European debt crisis seemed to take its toll upon the Midtown office market as activity slumped during the last half of 2011. Even with a slump in the last half of the year, the Midtown market had one of its best years of leasing activity the last decade. A slump in new leasing activity has been taking place in Midtown through the first half of 2012. Only 6.5 million square feet of space has been signed for so far this year. It is important to note that this is not including renewals, only new leases. Renewal activity totals over 4.3 million square feet in the first half of the year. With the booming New York City economy, namely expanding office-using employment, activity is expected to gain speed during the next few quarters.

Further considerations are as follows:

- In the second quarter, 4.6 million square feet of class A office space was leased. So far, 71.8 percent of overall space leased has been class A.
- The largest new lease of the first quarter was the 361,044 square foot deal at 1745 Broadway by Random House. The company is the world's largest trade book publisher.
- Two other large deals were signed during the second quarter by Coty and Cooley LLP. The two deals were for 120,000 and 95,588 square feet respectively.
- As a submarket, Grand Central leased the largest amount of space so far this year with 1,121,128 square feet leased. This is the largest submarket in Midtown so it isn't surprising it has seen the most activity.

The following chart displays all significant new office lease transactions for the second quarter:

Significant Office Market Lease Transactions
Midtown Manhattan
Second Quarter 2012

Building Address	Submarket	Tenant	Size (sf)
1745 Broadway	West Side	Random House	361,044
350 Fifth Avenue	Murray Hill	Coty	120,000
1114 Avenue of the Americas	Sixth Avenue/Rock Center	Cooley LLP	95,588

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

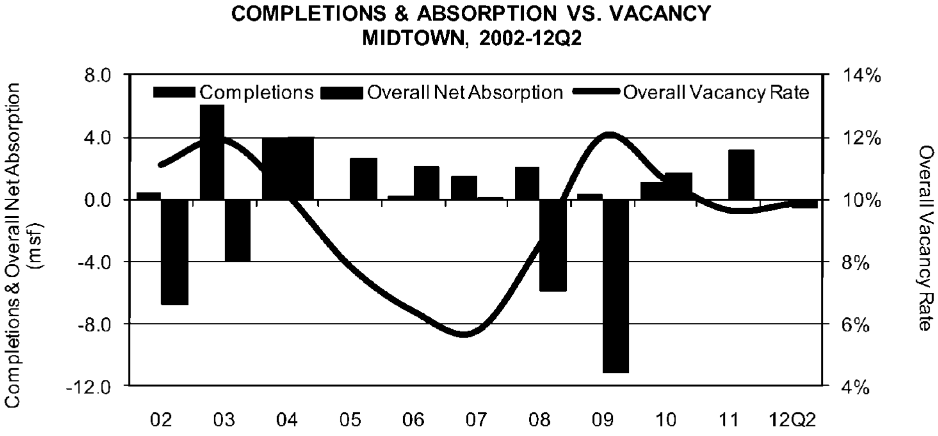
NET ABSORPTION

Occupied space in Midtown did swing upward during the second quarter. Midtown's overall absorption total at the end of the quarter was negative 484,196 square feet. This means occupied space grew by 392,158 square feet during the second quarter. Renewal activity may not drive leasing activity numbers but it is keeping space from entering the market.

Further considerations are as follows:

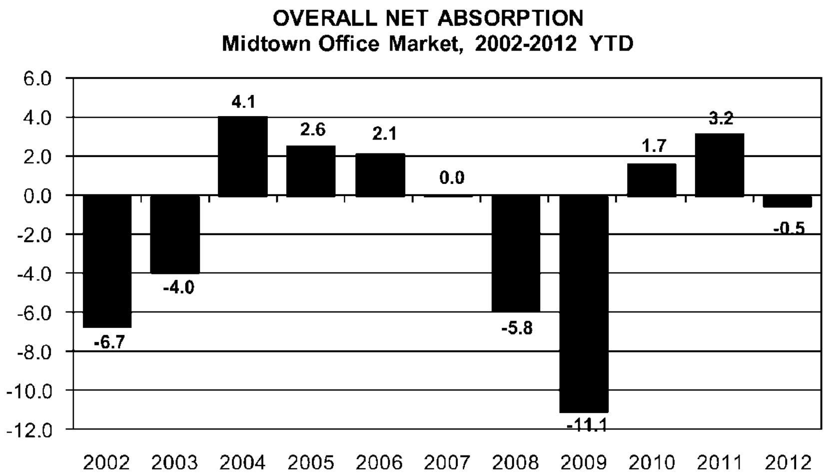
- Class A space is now down 432,894 square feet of occupied space this year. This is a positive turn from the first quarter when absorption totaled negative. Because Midtown is primarily a class A market, it is not surprising to see class A mirror the overall market's absorption trend.
- Only two submarkets are showing positive absorption after the first quarter, Murray Hill and Madison/Fifth. Occupied space is falling across a range of submarkets but should turn around with Midtown now seeing occupied space fill.

The following graph shows construction completions and absorption, compared to overall vacancy rates since 2002:



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

The following graph shows the overall net absorption in Midtown 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. While Downtown is home to the Financial District centered on Wall Street, the Midtown office market is the largest central business district in the country. Financial services firms have the largest footprint of the market, filling 32.6 percent of total occupied space.
- New York City's economy has responded greatly since the recession. So far, the city has added over 50,000 jobs in 2012.
- The pace of office-using employment growth has sparked an increase in demand for quality space. Office-using employment growth is headed towards another peak, which will drive demand higher in 2012.

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-occupying employment will grow over the next five years, peaking at 2.7 percent in both 2012.
- Inventory will grow slightly over the next 5 years with new construction of 330,000 square feet occurring in 2012 and 993,400 in 2014.
- Midtown will not reach an undersupply situation until 2016.
- Vacancy is expected to decline each of the next five years, dropping from a forecasted rate of 9.4 percent to end 2012 to 6.7 percent by 2016.
- Looking at the Midtown office market as a whole, recovery will increase pace over the next few years.

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

Office Market Demand Analysis Midtown Manhattan 12Q1					
Item	2012	2013	2014	2015	2016
EMPLOYMENT					
Office-Occupying Employment	5,372,279	5,463,045	5,582,377	5,727,651	5,820,435
Office Employment Growth Rate	2.7%	1.7%	2.2%	2.6%	1.6%
Net New Office-Based Jobs	143,613	90,765	119,332	145,275	92,783
SUPPLY					
Year-end Inventory	241,825,599	241,825,599	242,818,999	242,818,999	242,818,999
New Construction	330,000	0	993,400	0	0
Occupied Space (Sq. Ft.)	219,070,479	219,673,934	221,200,639	223,963,433	226,474,069
Vacanct/Available (Sq. Ft.)	22,755,120	22,151,665	21,618,360	18,855,566	16,344,930
Overall Vacancy Rate	9.4%	9.2%	8.9%	7.8%	6.7%
Forecast Net Absorption (Sq. Ft.)	589,628	603,455	1,526,705	2,762,793	2,510,637
SF Over (Under) Supply	6,193,234	5,589,779	4,988,439	2,225,646	(284,991)

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

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

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

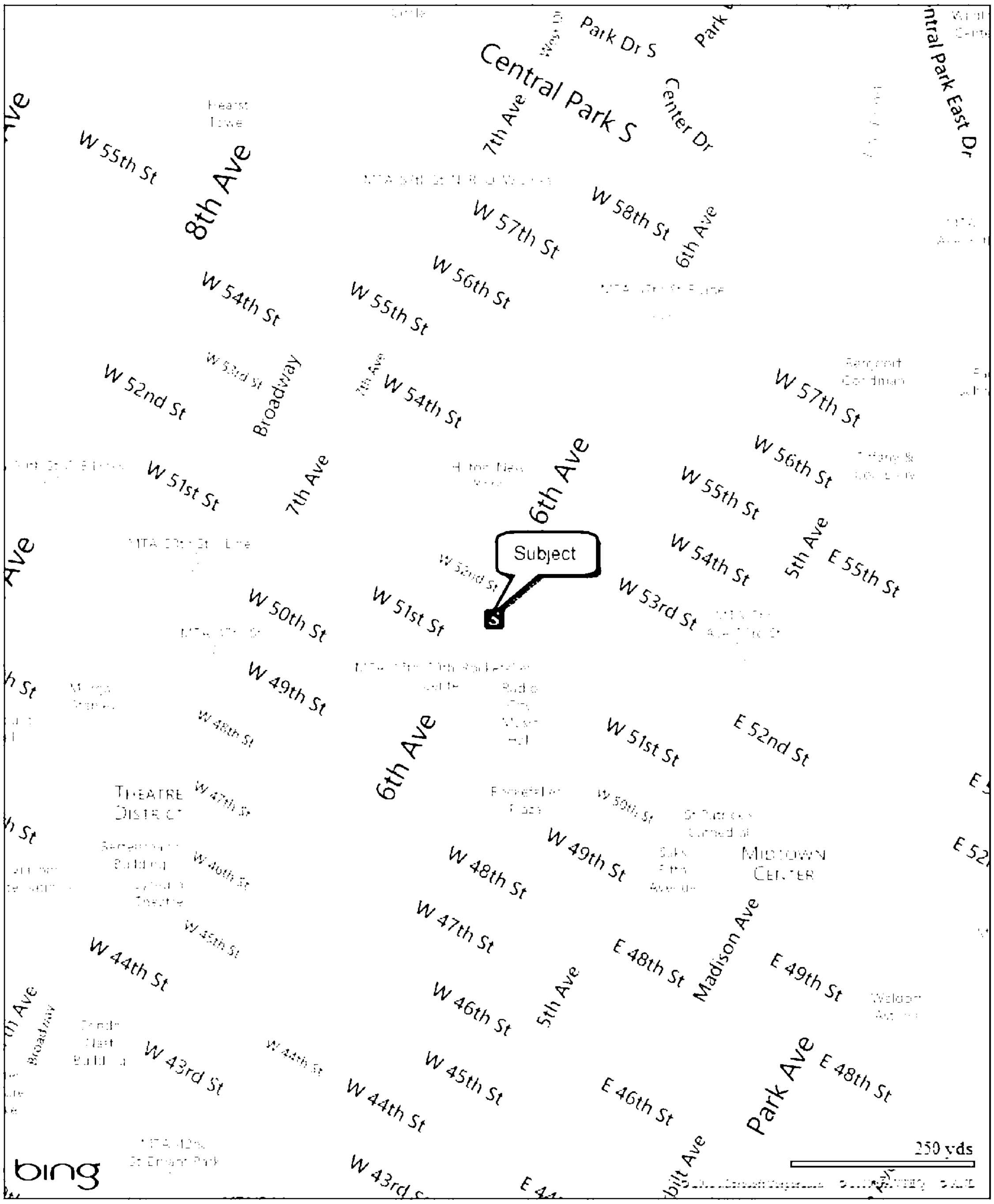
CONCLUSION

Despite slow new leasing activity, the Midtown office market is still improving in several key areas. The market remains the most desirable in the country and the place to headquarters an international corporation. Because of this, the market will remain supply-constrained for years to come, as development of new office space cannot keep up with the demand for Midtown facilities. This is one of the major reasons the market has recovered so quickly after the recession while many others languish.

Final thoughts:

- Overall vacancy in Midtown is forecasted to decline slowly this year because of a slow leasing market. New space is not being released into the market, which keeps pressure off and employment growth will drive demand for Midtown space.
- Office construction will grow in the coming years. The need for new product is driving development. This will bring projects languishing in the planning stages to break ground.
- Direct class A asking rents will continue to grow for the foreseeable future. As employment grows demand for Midtown's high-quality space will continue to rise and landlords will have leverage to increase asking rents.
- Class A space is clearly the most desirable product in Midtown, and the most traded as well. Of the 6.5 million square feet of space leased, 71.8 percent of it has been class A. This trend will continue for the reasons mentioned before.
- One of the main differences that separates Midtown, and the other Manhattan office markets, from the rest of the country is New York City's strong office-using industries. As previously stated, all of the jobs lost from the recession have been recovered and the city is headed towards another peak in office-using employment.
- The European Debt Crisis continues to effect markets here in the United States. European buyers have been major players in Manhattan commercial property and could be severely affected if this continues further. If another financial crisis takes place the fallout could spread to the Manhattan commercial leasing markets.

LOCAL AREA MAP



PLAZA OFFICE DISTRICT ANALYSIS

DISTRICT OVERVIEW

The subject property, 1290 Avenue of the Americas, is located on the easterly blockfront of Avenue of the Americas between West 51st Street and West 52nd Streets. This area of Midtown is known as the Sixth Avenue/Rock Center subdistrict, and is considered one of Manhattan's premier office locations. The subject is surrounded by many of New York's most well known landmarks, restaurants, hotels, retail shops and tourist attractions, made accessible by the presence of several major transportation hubs. 1290 Avenue of the Americas is located within the boundaries of the Plaza District. The Plaza District is generally bound by 47th Street to the south and 65th Street to the north, and from Avenue of the Americas to the East River.

The Plaza District is comprised of four statistical areas tracked by Cushman & Wakefield: East Side, Park Avenue, Madison/Fifth, and Sixth/Rockefeller Center, which are delineated as follows:

- **East Side:** 47th Street and Lexington Avenue to the East River, excluding Second Avenue to the East River and from 47th Street to 49th Street.
- **Park Avenue:** All Park Avenue properties north of 43rd Street.
- **Madison/Fifth:** 47th Street north and Fifth Avenue to Madison Avenue.
- **Sixth/Rockefeller Center:** All Sixth Avenue properties north of 41st Street including Rockefeller Center properties.

As of second quarter 2012, the four office statistical areas that comprise the Plaza District contain 98.9 million square feet of Class A office space and over 5.9 million square feet of Class B office space. There is little Class C office space in these sub markets, with Class C space totaling 382,500 square feet, or less than 1.0 percent. The following chart summarizes the Class A office markets of the Plaza District:

PLAZA DISTRICT OFFICE MARKET FIGURES
Class A Space Second Quarter 2012

	East Side	Park Avenue	Madison/ Fifth	6 Ave/ Rock Cntr	Market Summary
Number of Buildings	37	30	74	41	**182**
Inventory (sf)	17,741,052	21,652,799	21,597,596	38,003,977	**98,995,424**
Total Space Available	1,760,898	2,076,803	3,260,619	3,586,031	**10,684,351**
Direct Space Available	1,458,785	1,559,103	2,763,567	2,462,034	**8,243,489**
Direct Vacancy Rate	8.2%	7.2%	12.8%	6.5%	**8.3%**
Total Vacancy Rate	9.9%	9.6%	15.1%	9.4%	**10.8%**
Direct Rental Rate	$63.52	$83.70	$101.37	$79.07	**$84.67**
YTD Leasing Activity	473,939	651,466	795,996	688,320	**2,609,721**

Compiled by Cushman & Wakefield, Inc.

Historically, the Plaza District has evidenced the highest rents in Midtown due to the demand generated by its premier location and quality space. The average direct primary, Class A, asking rental rate in the four Plaza District statistical areas averaged $84.67 per square foot in the second quarter of 2012, considerably above the direct primary Midtown average of $71.90 per square foot. The direct vacancy rate for Class A space in the Plaza District statistical area was 7.70 percent in third quarter 2011, compared to the direct Midtown Class A vacancy rate of 8.50 percent.

The appeal of the Plaza District is reflected by the presence of numerous top firms in a diverse array of businesses, including domestic and international banking, legal services, manufacturing, securities/holdings, printing and publishing, advertising, and communications. 21 Fortune 500 companies have headquarters in the Plaza District:

PLAZA DISTRICT – 500 FORTUNE COMPANIES		
J.P. Morgan Chase & Co.	Citigroup	MetLife
Hess	News Corp.	ALCOA
Bristol-Myers Squibb	Colgate - Palmolive	Loews
CBS	Omnicom Group	March & McLennan
Avon Products	Estee Lauder	Dover
Virgin Media	Interpublic Group	McGraw-Hill Companies
Icahn Enterprises	BlackRock	Polo Ralph Lauren

**Source: Fortune Magazine May 2009*

The Plaza District boasts several first class hotels that offer luxury accommodations to business travelers and tourists. Several of New York's finest hotels are located within walking distance of the subject are The Peninsula, The Plaza, The Essex House, New York Palace, the St. Regis Hotel, The Four Seasons, as well as The Ritz-Carlton. More moderately priced hotels are found in the subject's immediate vicinity as well, including the Sheraton Hotels & Towers, the Warwick, and the New York Hilton. The presence of many fine hotels in the area serves as an important inducement to national and international firms seeking space in Midtown.

Midtown Manhattan is a retail center with one of the largest selections of merchandise in the world. Upscale retail is located along Fifth Avenue north of 50th Street, and is also found on Madison Avenue in the 60s. In addition to Saks Fifth Avenue, there are a variety of department stores, boutiques, jewelers, furriers, art galleries, antique shops, rare collector shops, wine cellars, and gourmet food shops. Some of the area's most renowned shopping is found at Saks Fifth Avenue, Cartier, Tiffany & Co., Louis Vuitton, Gucci, Prada, Chanel, Christian Dior, and Gianni Versace.

Many of New York's most famous attractions are located in and near the Plaza District. West of the subject, on Fifth Avenue, are St. Patrick's Cathedral and the renowned Rockefeller Center. Short walks from the subject are the United Nations, Radio City Music Hall, the Museum of Modern Art, the New York Public Library, and Central Park. Fine dining is a strength of the Plaza District as well. Notable restaurants within the Market include Smith & Wollensky, "21" Club, The Sea Grill, the Rainbow Room, China Grill and The Four Seasons.

SIXTH AVENUE / ROCK CENTER OFFICE STATISTICAL AREA

As mentioned earlier, the subject property, 1290 Avenue of the Americas, is located within the Sixth Avenue/ Rock Center Office Statistical Area. Below there is an overview of the Area's performance:

MADISON/FIFTH SUBMARKET
OFFICE STATISTICAL AREA FIGURES

Quarter	Inventory	Overall Vacancy	YTD Leasing Activity	Direct Wtd. Avg Class A Gross Rental Rate psf/yr
2nd Quarter 2012	24,670,627	13.90%	831,362	$101.37
1st Quarter 2012	24,670,627	13.70%	518,298	$102.20
2nd Quarter 2011	24,730,627	15.10%	1,018,725	$97.79

*Source Cushman & Wakefield, Inc. Research

- **Vacancy Rates**: Sixth Avenue/Rockefeller Center's overall vacancy rate at 9.5% increased 0.5 percentage points since the first quarter of 2012. This is still lower than the 11.2% peak which occurred in the second quarter of 2009. The class A vacancy rate closed at 9.4% down from 8.9% last quarter. The largest addition of space occurred at 1301 Avenue of the Americas, where 98,723 sf of class A space was put on the market. Currently, there are 16 buildings in the submarket with at least 100,000 square feet (sf) available, all of which are of class A quality.

- **Leasing:** Leasing activity finished the first half of the year at 799,041 sf, a 46.6% decrease compared to the first half of 2011. Class A leasing which totaled 688,230 sf and accounted for more than 86% of all year-to-date activity, was 50.8% lower than last year at this time. The most significant change has been the decline of large leases. The first half of 2011 saw 12 new leases larger than 30,000 sf. There have been six thus far in 2012. The largest lease in the second quarter was the commitment of Cooley LLP to lease 95,588 sf at 1114 Avenue of the Americas.

- **Rents:** Overall asking rents remained flat at $72.37 per square foot (psf). Even after this flat quarter, rents appear to have entered an uptrend, having increased $7.58 psf since the trough of the market in the second quarter of 2010 and are 8.3% higher than one year ago. Asking rents for direct class A space decreased $0.15 psf from the first quarter to $79.07 psf.

COMPETITIVE BUILDINGS

Several office buildings located along Avenue of the Americas, Seventh Avenue and the surrounding streets are considered competitive with the subject property. The chart on the **following pages** summarizes these 35 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 compared to the overall sub market previously examined. Although we have reported both direct and sublease space available within the buildings considered competitive with the subject property, it should be noted that sublease space is generally not considered to be a reliable occupancy indicator.

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	**1095 Avenue of the Americas** B/w 41st & 42nd Streets	1,300,000	1972 2008	42	29,847	35,696	4,363	0	99.66%	$95.00	$95.00
2	The H.B.O. Building **1100 Avenue of the Americas** N/E/C of 42nd Street	317,106	1982	15	22,500	22,500	0	0	100.00%	N/A	N/A
3	**One Bryant Park** B/w 42nd & 43rd Streets	2,100,000	2008	51	0	62,500	29,975	0	98.57%	$105.00	$105.00
4	The W.R. Grace Building **1114 Avenue of the Americas** B/w 42nd & 43rd Streets	1,310,000	1971 2001	48	26,160	44,361	131,397	0	89.97%	$80.00	$105.00
5	The Hippodrome **1120 Avenue of the Americas** B/w 43rd & 44th Streets	400,000	1951 2005	21	20,323	65,280	9,004	0	97.75%	$57.00	$57.00
6	**1133 Avenue of the Americas** B/w 43rd & 44th Streets	878,012	1968	45	10,164	33,000	14,802	39,855	98.31%	$75.00	$75.00
7	**1155 Avenue of the Americas** B/w 44th & 45th Streets	610,191	1983	41	13,000	29,000	21,150	0	96.53%	$68.00	$68.00
8	**1166 Avenue of the Americas** B/w 45th & 46th Streets	1,430,000	1974 2001	44	33,160	42,240	0	78,150	100.00%	N/A	N/A
9	**Americas Tower** **1177 Avenue of the Americas** B/w 45th & 46th Streets	960,050	1992	50	9,000	33,874	190,419	15,953	80.17%	$66.00	$85.00
10	**1185 Avenue of the Americas** B/w 46th & 47th Streets	1,000,000	1971	42	21,700	28,111	54,850	44,959	94.52%	$65.00	$70.00
11	**1211 Avenue of the Americas** B/w 47th & 48th Streets	1,734,105	1973 2006	45	21,385	64,083	216,402	42,435	87.52%	$78.00	$120.00
12	The McGraw-Hill Building **1221 Avenue of the Americas** B/w 48th & 49th Streets	2,200,000	1971	51	27,864	79,754	96,614	0	95.61%	$85.00	$85.00

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
13	**1230 Avenue of the Americas** B/w 48th & 49th Streets	535,200	1939	21	6,262	51,447	0	0	100.00%	N/A	N/A
14	**1251 Avenue of the Americas** B/w 49th & 50th Streets	1,893,652	1971	54	30,000	61,588	132,255	27,580	93.02%	$62.00	$88.00
15	**1270 Avenue of the Americas** S/E/C of 51st Street	358,368	1932	32	7,123	20,258	105,582	36,937	70.54%	$55.00	$66.00
16	The Time-Life Building **1271 Avenue of the Americas** B/w 50th & 51st Streets	1,573,501	1959	48	12,854	75,653	47,530	371,915	96.98%	$70.00	$100.00
17	The UBS/PaineWebber Building **1285 Avenue of the Americas** B/w 51st & 52nd Streets	1,473,950	1960	42	24,950	73,095	0	0	100.00%	N/A	N/A
18	Crédit Agricole Bldg. **1301 Avenue of the Americas** B/w 52nd & 53rd Streets	1,764,411	1964 1989	44	4,600	67,700	95,219	69,006	94.60%	N/A	N/A
19	**1325 Avenue of the Americas** B/w Avenue of the Americas & Seventh Ave	718,397	1989	34	16,332	46,601	207,054	0	71.18%	$70.00	$80.00
20	The Financial Times Building **1330 Avenue of the Americas** B/w 53rd & 54th Streets	415,000	1965 1990	40	9,000	21,600	148,765	0	64.15%	$70.00	$105.00
21	Alliance Bernstein Building **1345 Avenue of the Americas** B/w 54th & 55th Streets	1,640,000	1968 1988	50	15,000	44,665	0	138,031	100.00%	N/A	N/A
22	**1350 Avenue of the Americas** S/E/C of 55th Street	424,000	1966	35	5,000	25,088	17,536	0	95.86%	$75.00	$85.00
23	Continental Tower **1370 Avenue of the Americas** S/E/C of 56th Street	339,000	1971 2002	35	5,455	11,046	55,324	3,326	83.68%	$70.00	$100.00
24	Equitable Tower **787 Seventh Avenue** B/w 51st & 52nd Streets	1,429,610	1985	54	11,750	50,475	0	24,227	100.00%	N/A	N/A

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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
25	**810 Seventh Avenue** S/E/C of 53rd Street	603 000	1970	41	10 808	22 437	96 248	34 640	84 04%	$55 00	$78 00
26	**888 Seventh Avenue** B/w 56th & 57th Streets	790 000	1970 2008	46	1 000	23 292	49 968	47 221	93 67%	$65 00	$105 00
27	The G E Building **30 Rockefeller Plaza** B/w 49th & 50th Streets	2 321 896	1932	69	4 507	99 029	80 256	23 010	96 54%	$80 00	$130 00
28	Tower 45 **120 West 45th Street** B/w Avenue of the Americas & Broadway	426 056	1989	40	6 760	13 969	84 031	13 313	80 28%	$50 00	$70 00
29	The U S Trust Building **114 West 47th Street** B/w Avenue of the Americas & Seventh Avenue	605.214	1989	26	15.200	32.024	5.744	14.110	99.05%	N/A	N/A
30	The Deutsche Bank Building **31 West 52nd Street** B/w Fifth Avenue and Avenue of the Americas	659.724	1985	30	13.650	28.100	0	0	100 00%	N/A	N/A
31	The CBS Building **51 West 52nd Street** B/w 52nd & 53rd Streets	708 000	1965	38	15 000	24 093	0	0	100 00%	N/A	N/A
32	Avenue of the Americas Plaza **125 West 55th Street** B/w Avenue of the Americas & Seventh Avenue	509 050	1989	24	1 186	29 500	25 000	99 832	95 09%	N/A	N/A
33	CitySpire **156 West 56th Street** B/w Avenue of the Americas & Seventh Avenue	321 950	1987	75	10.800	21.400	25 921	0	91.95%	$60.00	$70.00
34	The Squibb Building **40 West 57th Street** B/w Fifth & Avenue of the Americas	604.936	1972 2002	34	9.000	25.000	125.000	0	79.34%	$77.00	$90.00
35	Carnegie Hall Tower **152 West 57th Street** B/w Avenue of the Americas & Seventh Avenue	535.219	1990	60	7.708	14.182	28.560	48.740	94.66%	$55.00	$107.00
	TOTAL	**34,889,598**					**2,098,969**	**1,173,240**			
	AVERAGE	**996,846**	**1979**	**42**	**13,687**	**40,647**	**59,971**	**33,521**	**93.98%**	**$50.00**	**$130.00**

CUSHMAN & WAKEFIELD
VALUATION & ADVISORY

The buildings that are competitive with the subject contain a total net rentable area of 34,889,598 square feet. The overall occupancy rate in these buildings is 93.98 percent for direct space. The survey's minimum asking rental rate is $50.00 per square foot and the maximum asking rental rate is $130.00 per square foot.

DIRECTLY COMPETITIVE BUILDINGS

Several office buildings located along and between Sixth and Seventh Avenues and Broadway are considered competitive with the subject property. The chart on the following pages summarizes these ten competitive buildings excluding the subject. These office buildings are more indicative of the competition that would have a direct impact on the subject compared to the overall sub district previously examined.

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	1095 Avenue of the Americas	1,300,000	4,363	0	99.66%	99.66%	$95.00	$95.00
2	1114 Avenue of the Americas	1,310,000	131,397	0	89.97%	89.97%	$80.00	$105.00
3	1177 Avenue of the Americas	960,050	190,419	15,953	80.17%	78.50%	$66.00	$85.00
4	1185 Avenue of the Americas	1,000,000	54,850	44,959	94.52%	90.02%	$65.00	$70.00
5	1221 Avenue of the Americas	2,200,000	96,614	0	95.61%	95.61%	$85.00	$85.00
6	1251 Avenue of the Americas	1,893,652	132,255	27,580	93.02%	91.56%	$62.00	$88.00
7	1271 Avenue of the Americas	1,573,501	47,530	371,915	96.98%	73.34%	$70.00	$100.00
8	1285 Avenue of the Americas	1,473,950	0	0	100.00%	100.00%	N/A	N/A
9	1301 Avenue of the Americas	1,764,411	95,219	69,006	94.60%	90.69%	N/A	N/A
10	1345 Avenue of the Americas	1,640,000	0	138,031	100.00%	91.58%	N/A	N/A
	TOTAL	**15,115,564**	**752,647**	**667,444**				
	AVERAGE	**1,511,556**	**75,265**	**66,744**	**95.02%**	**90.61%**	**$62.00**	**$105.00**

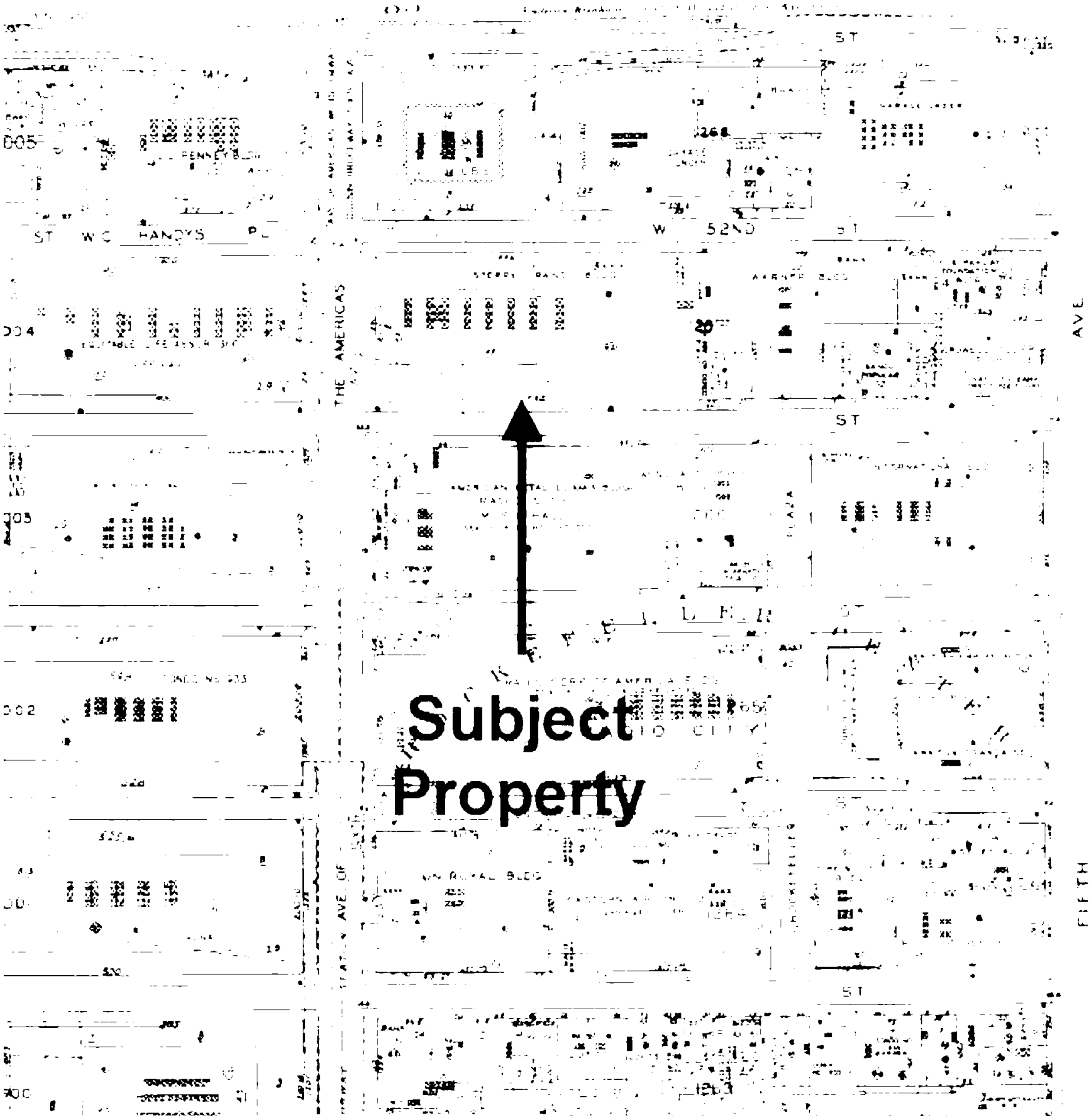
The average asking rents for the ten buildings directly competitive with the subject range from $62.00 to $105.00 per square foot, gross. The average direct occupancy rate for these ten directly competitive buildings is 95.02 percent, compared to 93.98 percent for all the competitive buildings compared with the subject and 91.40 percent for class A space within Midtown as a whole.

It should be noted there is 752,647 square feet of sublease space available for these ten directly competitive buildings and 1,173,240 square feet of sublease space available in all the competitive buildings compared with the subject. This sublease space accounts for 36 percent of the 3,272,209 total square feet available within the 35 properties competitive to the subject. The overall occupancy rate for these directly competitive buildings is 90.61 percent when considering sublease space, compared to 90.62 percent for all the competitive buildings compared with the subject and 89.30 percent for class A space within Midtown as a whole.

SUMMARY AND CONCLUSIONS

After reviewing the 35 properties competitive to the subject property ten buildings appear directly competitive: 1095 Avenue of the Americas, 1114 Avenue of the Americas, 1177 Avenue of the Americas, 1185 Avenue of the Americas, 1221 Avenue of the Americas, 1251 Avenue of the Americas, 1271 Avenue of the Americas, 1285 Avenue of the Americas, 1301 Avenue of the Americas, and1345 Avenue of the Americas. These ten properties are most similar in physical characteristics, location, quality, tenancy, floor size, age, asking rents, and occupancy rates compared to the subject property. The buildings may have individual traits that may vary from the subject, but are very comparable overall. Based upon our analysis, 1290 Avenue of the Americas should command rents averaging in the mid to high $60's per square foot and maintain an average occupancy rate above 90 percent. Based on the subject's weighted average downtime between leases and absorption of the vacant space, an average effective occupancy of 97.02 percent is indicated over the investment holding period, which is well supported by the directly competitive properties that average 95.02 percent.

SANBORN MAP



SITE DESCRIPTION

Location:	1290 Avenue of the Americas Between West 51st and West 52nd Streets New York, New York County, NY 10104 The subject property is located on the easterly blockfront of Avenue of the Americas between West 51st and West 52nd Streets in the Plaza office submarket in Midtown Manhattan.
Shape:	Rectangular
Topography:	Level at street grade
Land Area:	89,775 square feet (net)
Frontage:	Approximately 488 feet on West 51st Street, 446 feet on West 52nd Street, and 201 feet on Sixth Avenue.
Access:	Access is provided by Avenue of the Americas, West 51^{st} and West 52^{nd} Street.
Visibility:	The subject property has excellent visibility.
Street Improvements:	Curbing, sidewalks and street lights.
Soil Conditions:	We were not given a soil report to review. 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 outside of a 100-year flood hazard.
FEMA Map:	360497-0088F, dated September 5, 2007
Site Improvements:	The site is improved with a 43-story office building with retail 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:	Excellent

IMPROVEMENTS DESCRIPTION

The following description of improvements is based upon our physical inspection of the improvements along with our discussions with the building manager. The building is currently undergoing a $30 million renovation to the building entrances, lobby, and elevators, which is projected to be completed by the first quarter of 2013.

GENERAL DESCRIPTION	
Year Built:	1963
Building Class:	Class A
Number of Buildings:	1
Number of Stories:	43-story
Gross Building Area:	1,897,471 square feet (Per Assessor)
Net Rentable Area:	2,103,288 square feet (Per Rent Roll/Leases)
	2,113,259 square feet (Remeasured)
	The owners recently remeasured the subject property based on a 27 percent loss factor, which is consistent in the market and according to industry and BOMA standards. It has been our experience that loss factors for primary buildings fall within the range of 25 to 40 percent. It should also be noted that rentable area frequently exceeds gross building area. As leases expire, tenants will be paying rent based on their remeasured area.
Loss Factor:	27.00 percent (Remeasured)
Typical Floor Plate:	The floor plates range from 100,370± to 109,955± square feet on the 2nd through 8th floors, 69,536± to 86,878± square feet on the 9th through 13th floors, 52,479± to 53,136± square feet on the 14th through 16th floors and 25,281± to 27,829± square feet on the 17th through 43rd floors. There are setbacks on floors 7, 9, 12, 13, 14 and 17.
CONSTRUCTION DETAIL	
Basic Construction:	Structural steel and concrete with stainless steel and glass facade.
Foundation:	Poured reinforced columns, beams and slabs.
Framing:	Structural steel with masonry and concrete encasement.
Ceiling Height:	Generally, ceiling heights are 11' 8" to 12', slab to slab with finished ceiling heights of 9' 0" in the office area. The 42nd Floor has ceiling heights of 17'.
Floors:	Concrete poured over metal deck. Each floor is bridged by structural steel floor beams. The stairwells, bathrooms, equipment rooms and elevator shafts are center core.

Exterior Walls:	The building is clad with a glass and steel curtain wall. The curtain wall is alternating dark aluminum and glass spandrel panels with mosaic chip quartz columns.
Roof Cover:	Flat roofing system consisting of built-up assemblies with tar and gravel cover.
Windows:	Square and rectangular windows with glass set in steel and aluminum frames.
Pedestrian Doors:	Glass in steel and aluminum frames.
Loading Doors:	One loading dock located on 52nd Street serviced by two truck-lifts.

MECHANICAL DETAIL

Heating:	Low pressure steam purchased from Consolidated Edison. The building consists of perimeter supply units and interior supply units. The perimeter areas are served by hot water base board convectors with local zone temperature controls.
Cooling:	The building contains a central refrigeration plant located in the MER in the sub concourse, two levels below grade. Chilled water for air conditioning is generated by two 3,420-ton York centrifugal chillers directly driven by steam turbines. Floors are cooled by chiller water pumped to central air handler coils for the interior and perimeter systems.
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 provided by Con Edison. Vault is located above the switchgear room in the middle of the south side of the sub cellar. There are six building 6,000 amp links and two 6,000 amp links that are dedicated to AXA. The six building services are known as E1, E2, E3, W1, W2, and W3. The two AXA services are known as E4 and W4. The electrical risers are copper.
Emergency Power:	Four emergency generators are located on the premises. A new 2000 KW generator was recently installed and is available to all building tenants for additional redundant power requirements. An existing 765 KW generator powers the building elevators, fire pumps, domestic water pumps, ejector pumps, truck lifts, Class E system, stairway lighting, exit lighting, stairway pressurization fans, tenant lighting and sprinkler booster pumps.

Elevator Service: The building contains a total of 32 passenger elevators and 2 freight elevators which may be summarized as follows:

No.	Bank	Type	Weight (lbs.)	Floors
8	Low Rise	Passenger	4,000	L-6
8	Low Rise	Passenger	4,000	7-15
8	Mid Rise	Passenger	4,000	15-29
8	High Rise	Passenger	4,000	30-43
2		Freight	4,000	Basement

Fire Protection: The building is partially sprinklered. The unsprinkled spaces are E.2, a portion of the 34th floor, some public restrooms and all MERs. The tanks are located on the 44th floor: two 7,000 gallon tanks each with 4,500 reserves; and 20th floor: 13,200 gallon tank with 9,000 gallon reserve. 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. The command center for the fire alarm system is located in the lobby.

Security: The building contains a security guard staffed lobby 24 hours a day, 7 days a week, 365 days a year. Additionally, there is a 64 camera CCTV system. Tenants may access the building via turnstiles at the elevator banks 24/7 with the proper building identification card. Visitors to the building are checked in through the Workspeed Visitor Management system.

INTERIOR DETAIL

Layout: The core of the building is located in the center of each floor. The building features functional floor plates. There are setbacks on floors 7, 9, 12, 13, 14 and 17. The ground floor includes retail space and the lobby. Office space is located on the 2^{nd} through 43^{rd} floors with mechanical rooms on the 8^{th}, 25^{th} and 43^{rd} floors and the roof.

Floor Covering: Floors throughout the office, corridor or lobby areas contain either marble finish, terrazzo, resilient tile, ceramic tile, carpet or exposed hard wood.

Walls: Painted walls with stucco textured finish, plaster over wood lap on wood studs. 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:	There is no on-site parking, although loading docks for property use are located on the West 52nd Street side of the building.
Onsite Landscaping:	None
Other:	None
Condition:	Excellent

PERSONAL PROPERTY

Personal property was excluded from our valuation.

SUMMARY

Quality:	Excellent
Layout & Functional Plan:	Very Good
Property Rating:	After considering all of the physical characteristics of the subject, we have concluded that this property has an overall rating that is excellent, when measured against other properties in this marketplace.
Actual Age:	49 years
Effective Age:	15 years (The building has been well-maintained.)
Expected Economic Life:	60 years
Remaining Economic Life:	45 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 modern aluminum and glass curtain wall high-rise office tower with floor plates ranging from 100,370± to 109,955± square feet on the 2nd through 8th floors, 69,536± to 86,878± square feet on the 9th through 13th floors, 52,479± to 53,136± square feet on the 14th through 16th floors and 25,281± to 27,829± square feet on the 17th through 43rd floors. The building has excellent appeal to prospective office tenants.

1290 Avenue of the Americas is one of the better office buildings in Manhattan, not only as the result of its above standard construction quality, but also from a functional and architectural perspective. Functionally, 1290's floor plates are perfectly suited to many large office users needs while its tenant amenities and mechanicals are state-of-the-art. As a result of these factors, the building achieves rents at the upper end of the range for Class A Plaza District properties and is in demand from quality credit tenants. The location, along the Sixth Avenue office corridor across from Rockefeller Center is excellent. 1290 Avenue of the Americas has been well maintained and provides a good appearance relative to competing buildings within its sub market. The large floorplates, recent construction and strong office location of 1290 Avenue of the Americas makes the building desirable for many Fortune 500 Service companies.

LEED Certification

In June 2011 1290 Avenue of the Americas earned a LEED® Silver EB-OM Silver certification. The owners began their effort to obtain LEED certification for the property upon purchase of the building. As part of the certification process the building was enhanced in a number of ways, including establishing green building exterior management practices and implementing a high-performance green cleaning program. The energy strategies established for the building have resulted in an Energy Star score of 74, placing it among the top 30 percent of comparable buildings for energy efficiency.

Physical Condition and Renovation of the Building

The building is currently undergoing a $30 million renovation to the building entrances, lobby, and elevators, which is projected to be completed by the first quarter of 2013. This will include installation of new marble floors and walls with new lighting throughout. All 32 passenger cars will be modernized to include a state of the art destination dispatch system and new cab interiors. Finally a new three story storefront and plaza on the Sixth Avenue elevation will complement the scheme with new lobby entries and a modern canopy.

Listed below is a summary chart of the recent renovation:

1290 Avenue of the Americas - Renovation Budget	
Item	**Amount**
Elevator Modernization (Schindler)	$6,075,000
Cab Allowance ($50k/cab)	$1,600,000
Lobby Renovation Budget (2 Story Storefront) - Includes 7% contingency	$19,227,057
Storefront premium	$500,000
Probes and Lobby Mockup	$149,649
Soft Costs	$1,500,000
Subtotal	**$29,051,706**
Contingency (5%)	$1,452,585
Total	**$30,504,291**
Spent to Date	$12,324,159
Outstanding Capital	**$18,180,132**

We inspected the roof and 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 1 in Block 1267.

Assessments for the current and prior years are as follows:

NEW YORK CITY ASSESSMENT AND TAX ANALYSIS				
Assessor's Parcel Number:	Block 1267 Lot 1			
Assessing Authority:	City of New York			
Current Tax Year:	2012/13		2011/12	
ASSESSMENT INFORMATION				
	Actual	**Transitional**	**Actual**	**Transitional**
Assessed Value				
Land Assessed Value	$116,100,000	$116,100,000	$116,100,000	$116,100,000
Improved Assessed Value	$188,324,550	$164,713,486	$143,892,900	$159,178,576
Total Assessed Value	$304,424,550	$280,813,486	$259,992,900	$275,278,576
TAX LIABILITY				
Taxable Assessment	$280,813,486		$259,992,900	
Tax Rate*	10.254%		10.152%	
Total Property Taxes	$28,793,267		$26,394,479	

(1) Tax rate estimated at 1% above the 2011/12 rate.

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

In the case of the subject property, the transitional assessed value is less than the actual assessed value. Our tax projection for the subject property, therefore, is based upon the 2011/2012 and 2012/2013 transitional assessments for calendar year 2012 as follows:

2012 CALENDAR TAX PROJECTIONS	
2012/13 Fiscal Taxes $28,793,267 @ 50% =	$14,396,633
2011/12 Fiscal Taxes $26,394,479 @ 50% =	$13,973,141
2012 Total Calendar Year Tax Liability =	$28,369,774
Tax Liability per Square Foot GBA =	$14.54

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

Listed below is a summary chart of the 2012/2013 assessments for properties considered to have varying degrees of comparability to the subject property.

REAL ESTATE TAX COMPARABLES									
No.	Property Name & Location	Block	Lot	Building GBA	Year Built	Assessment	Assess/SF	Total Taxes	Taxes/SF
1	1114 Avenue of the Americas	1258	9	1,513,117	1971	$188,758,960	$124.75	$19,354,438	$12.79
2	1177 Avenue of the Americas	998	29	912,955	1988	$116,239,950	$127.32	$11,918,687	$13.06
3	1185 Avenue of the Americas	999	29	1,041,350	1970	$158,698,977	$152.40	$16,272,231	$15.63
4	1221 Avenue of the Americas	1001	29	2,508,386	1971	$370,666,570	$147.77	$38,006,371	$15.15
5	1251 Avenue of the Americas	1002	1001-56	1,793,091	1970	$364,392,535	$203.22	$37,363,061	$20.84
6	1271 Avenue of the Americas	1003	29	1,962,900	1961	$283,336,500	$144.35	$29,051,965	$14.80
7	1285 Avenue of the Americas	1004	29	1,578,972	1961	$234,879,993	$148.76	$24,083,467	$15.25
8	1301 Avenue of the Americas	1005	29	1,482,208	1965	$286,139,378	$193.05	$29,339,358	$19.79
9	1345 Avenue of the Americas	1007	29	1,657,953	1969	$309,752,690	$186.83	$31,760,554	$19.16
STATISTICS									
	Low:			912,955	1961	$116,239,950	$124.75	$11,918,687	$12.79
	High:			2,508,386	1988	$370,666,570	$203.22	$38,006,371	$20.84
	Average:			1,605,659	1970	256,985,061	$158.72	26,350,015	$16.27

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 $12.79 to $20.84 per square foot of gross building area. The average tax of the comparable properties is $16.27 per square foot. This compares with the 2012/2013 fiscal year tax liability of $28,793,267 or $15.11 per square foot of the assessor's gross building area of 1,897,471± square feet.In analyzing the eight comparables, it is clear that Comparable Nos. 5 and 6 are most similar in terms of size. All of the comparables have similar locations to 1290 Avenue of the Americas. Comparable No. 5 establishes the high end of the range owing to its quality.

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 appear to be average in light of the tax comparables, the assessor's estimate of market value is $676,499,000 (which is the basis of the subject's assessed value), while the appraiser estimate of market value "as is" is $2,000,000,000. 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 prospective assessed value will stabilize at $340,000,000 (taxes near $19.00 per square foot) in 2016/2017, 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 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 assessed value for the subject property is $280,813,486, which reflects the first year of a five year transitional assessment phase-in to the assessed value of $340,000,000 as shown on the following chart.

PHASE-IN PERIOD	TAX YEAR	ASSESSED VALUE PHASE-IN
1	2012/13	$280,813,486
2	2013/14	$295,610,115
3	2014/15	$310,406,743
4	2015/16	$325,203,372
5	2016/17	$340,000,000

Based on the subject's location, level of income and assessments from competing buildings, as well as the fact that the tax assessor has the ability to change the assessed property values each year, we believe that the subject property will receive large tax increases in the near term. We have assumed the prospective assessed value will stabilize at $340,000,000 in 2016/17 (taxes near $19.00 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 2013/2014-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 nine fiscal years are exhibited on the following chart.

YEAR	TAX RATE
2002/03	11.580
2003/04	11.431
2004/05	11.558
2005/06	11.306
2006/07	10.997
2007/08	10.059
2008/09	10.241
2009/10	10.426
2010/11	10.312
2011/12	10.152

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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. 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	PSF
2012	$27,593,873	$14.54
2013	$29,703,407	$15.65
2014	$31,540,450	$16.62
2015	$33,411,263	$17.61
2016	$35,316,338	$18.61
2017	$36,821,666	$19.41

ZONING

Map 8c of the Zoning Resolution of the City of New York indicates that the subject property is zoned as follows:

ZONING DESIGNATION	**C5-3 AND C5-2.5 RESTRICTED COMMERCIAL DISTRICTS**
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.

C5-3 and C5-2.5 bulk regulations are as follows:

ZONING REGULATIONS	
	F.A.R.
	(times Lot Area)
Floor Area Ratio	C5-3 / C5-2.5
Commercial Building	15 / 12
Community Facility	15 / 10
Residential Building	10

The property is in the MiD-Special Purpose Midtown District Overlay. The "Special Midtown District" established in the Zoning Resolution was designed to promote and protect public health, safety and general welfare. These general goals include the following specific purposes:

a) To strengthen the business core of Midtown Manhattan by improving the working and living environments.

b) To stabilize development in Midtown Manhattan and provide direction and incentives for further growth where appropriate.

c) To control the impact of buildings on the access of light and air to the streets and avenues of Midtown.

The C5-3 designation permits a floor area ratio of 15 times the lot area. The C5-2.5 designation permits a floor area ratio of 10 times the lot area. Our estimate of the maximum permitted zoning floor area for this site under the zoning code designation is as follows:

ZONING	LAND SF	FAR	BUILDABLE SF
C5-3	30,125± SF	@ 15 =	451,875± square feet
C5-2.5	59,650± SF	@ 12 =	715,800± square feet
Total	89,775± SF		1,167,675± square feet

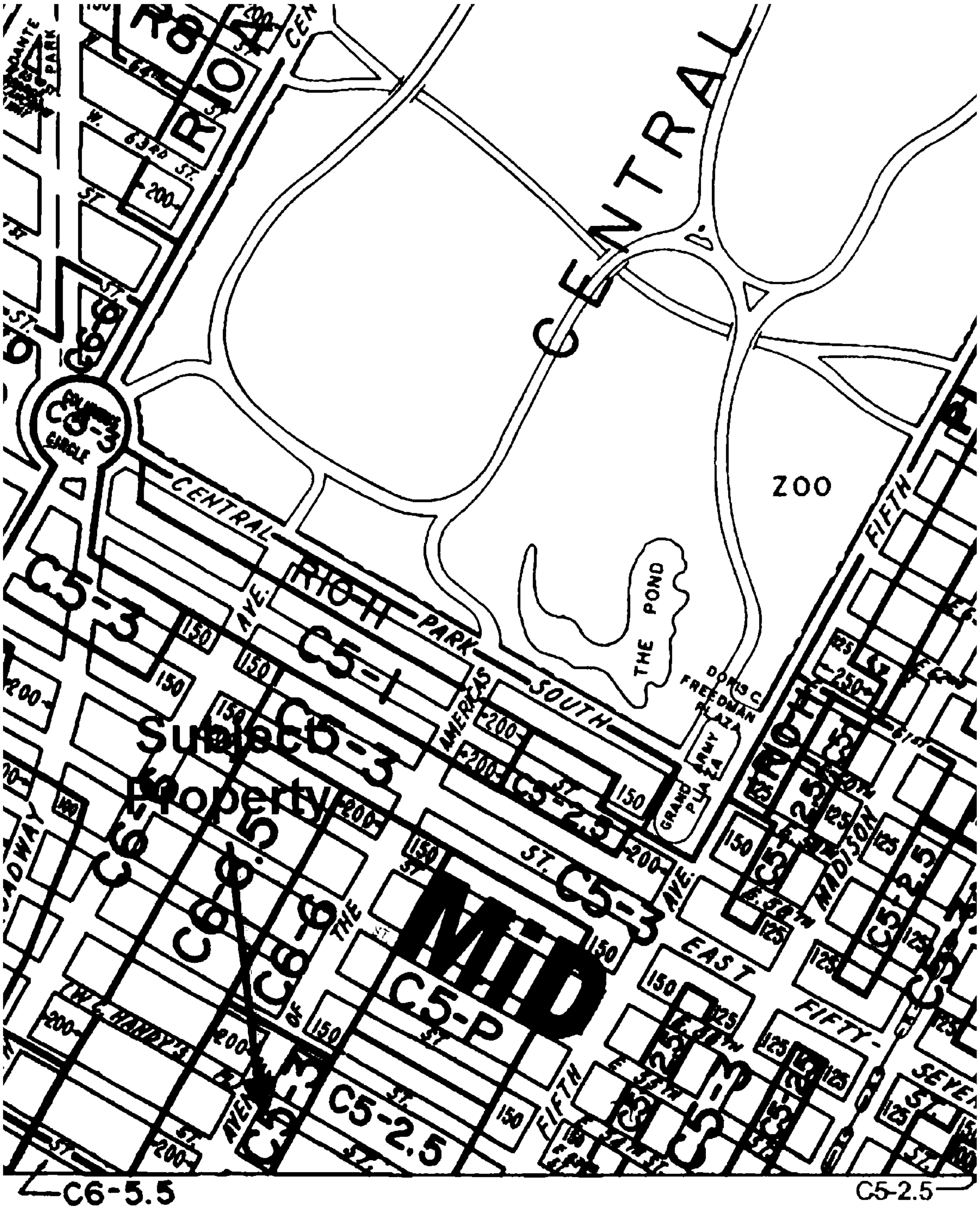
The subject site contains a zoning lot area of 89,775± square feet. The above grade gross building area of the subject property totals 1,897,471± square feet which appears to exceed the maximum permitted zoning floor area as of right.

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.

A significant amount of a building must be damaged or destroyed for reconstruction in accordance to the Zoning Resolution. The Zoning Resolution of the City of New York states that "In the event that any demolition, damage or destruction of an existing building produces an unsafe condition requiring a Department of Buildings order or permit for further demolition of floor area to remove or rectify the unsafe condition, and if the aggregate floor area demolished, damaged or destroyed including that ordered or permitted by the Department of Buildings constitutes 75 percent or more of the floor area, then the building may be reconstructed only in accordance with the applicable bulk regulations."

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



CENTRAL
ZOO
THE POND
DORIS C. FREEDMAN PLAZA
GRAND ARMY PLAZA
COLUMBUS CIRCLE
CENTRAL PARK SOUTH
AVE. OF THE AMERICAS
FIFTH AVE.
MADISON
EAST FIFTY-SEVENTH ST.
W. 63RD ST.
R10-H
C5-1
C5-3
C5-2.5
C5-P
C6-6
C6-5.5
MiD
Subject Property

HIGHEST AND BEST USE

HIGHEST AND BEST USE CRITERIA

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

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

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

HIGHEST AND BEST USE OF PROPERTY AS IF VACANT

LEGALLY PERMISSIBLE

The first test concerns permitted uses. According to our understanding of the zoning ordinance, noted earlier in this report, the site may legally be improved with structures that accommodate residential, office and general commercial uses. The subject's zoning classification of C5-3 and C5-2.5 Restricted Commercial Districts permits development of residential, office, retail, hotel, and community service related uses. 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 89,775 square feet of land located on the easterly blockfront of Avenue of the Americas between West 51st and West 52nd 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 the Sixth Avenue / Rockefeller Center office submarket of Midtown Manhattan and within close proximity to prime Class A office building. Retail uses at grade level are consistent with other uses in the local market area.

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 modern, Class A office building. The location is desirable for office use. Therefore, 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.

LAND VALUATION

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

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

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

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

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

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

DISCUSSION OF COMPARABLE SALES

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 LAND SALES

PROPERTY INFORMATION							TRANSACTION INFORMATION					
No.	Location	Size (sf)	Size (Acres)	Max FAR	Potential Building Area	Zoning	Grantor	Grantee	Sale Date	Sale Price	$/ZFA	COMMENTS
1	220 West 41st Street, B/w Seventh & Eighth Avenues, Midtown, Manhattan	8,295	0.19	12.00	99,540	C6-6.5	220-226 W 41st st Realty (Brach)	OTO Development	5/12	$36,575,000	$367.44	This is the sale of a development site located on the south side of West 41st Street between Seventh and Eighth Avenues in Midtown Manhattan. The site is currently improved with a parking garage containing 23,000 square feet of gross building area. The potential buyer plans to demolish the existing garage and redevelop the site with a boutique hotel. We have assumed a demolition cost of $575,000, or $25 per square foot of gross building area. The overall consideration is $36,575,000.
2	516 - 520 Fifth Avenue, N/WC 43rd Street, Midtown, Manhattan	10,625	0.24	27.71	294,367	C5-3 Midtown / Grand Central SP Distr	RFR Holdings	Thor Equities	3/12	$135,300,000	$459.63	This is the sale to Thor Equities for $132.0 million regarding site located at the northwest corner of West 43rd Street and Fifth Avenue. The site contains a land area of 10,625 square feet and at the time of sale were improved with three contiguous buildings totaling 94,411 square feet of gross building area. The as-of-right permitted zoning floor area (ZFA) was 159,375 square feet (10,625 SF x15.0 = 159,375). In addition, the seller purchased 134,992 square feet of additional development rights from two adjacent sites which increased the maximum permitted zoning floor area (ZFA) to 294,367 square feet. The buyer, Thor Equities, plans to raze the existing improvements and redevelop the property with a mixed-use tower anchored by a multi-level retail space. Thor Equities noted, it is currently in negotiations for potential partners on the upper portion of the building which is proposed to be developed with either a residential or hotel use. We have assumed a demolition cost of $3,300,000 ($35/SF). Overall, the total consideration is $135,300,000.
3	1150 Avenue of the Americas, B/w 44th & 45th Streets, Midtown, Manhattan	7,375	0.17	15.00	110,625	C6-6	Pan American Magazine Building LLC	Fortuna 1150 LLC	3/12	$39,000,000	$352.54	This is the sale of a development site located on the east side of Avenue of the Americas between West 44th and West 45th Streets in Midtown Manhattan. At the time of sale, the site was improved with the former Pan American Magazine Building totaling 50,000 square feet of gross building area. The buyer, Morris Moinian, plans to demolish the existing improvements to accommodate a new 150,000 square foot, 35-40 story hotel development. The estimated cost of the tower is $140,000,000 ($933/SF) and Duane Reade has reportedly agreed to lease the retail space. We have utilized a demolition cost of $1,250,000, or $25 per square foot of gross building area. The overall consideration is $39,000,000.

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SUMMARY OF LAND SALES

	PROPERTY INFORMATION						TRANSACTION INFORMATION					
4	12 West 57th Street New York, NY	7,220	0.17	15.00	108,454	C5-3 within MiD	Trigon Equities	Solow Realty Development	3/12	$122,000,000	$1,124.91	This is the sale of a future development site located on the south side of West 57th Street between Fifth and Sixth Avenues in Midtown Manhattan. The site is currently improved with an 11 story class B office building that is partially leased. The retail is leased to Henri Bendel. This site is part of a potential assemblage as the buyer owns the adjacent lots, 6 West 57th Street and 20 West 57th Street. Sheldon Solow has yet to reveal any plans for the site. We have assumed a demolition cost of $2,000,000 ($25/SF). The overall consideration is $122,000,000.
5	170 Amsterdam Avenue New York, NY	20,708	0.48	9.85	203,989	R8 with C2-5 Overlay	ACP Amsterdam I, LLC	Lawrence Downtown Holdings, LLC c/o EQR-Acquisitions GP, LLC	9/11	$76,500,000	$375.02	This is the transfer of a site on the Upper West Side. The site is encumbered by a 99-year ground lease with no options for renewal and no purchase option. The $76,500,000 represents the capitalized value of the ground lease, which has been confirmed with the parties involved in the transaction as well as with recorded documents on file with the New York City Department of Finance. The zoning floor area to the site was increased through a zoning lot merger established between several adjacent parcels, owned by entities controlled by ACP or its affiliates. The site is currently improved with a vacant commercial building containing 41,416 square feet of gross building area.
6	24 West 53rd Street, B/w Fifth & Sixth Avenues, Midtown, Manhattan	17,573	0.40	14.56	255,876	C5-2.5 within MiD	The New York Public Library	VIII-Hotel TB Investors, LLC	7/11	$120,296,025	$470.13	The is the sale of a development site located on the former Donnell Library site on the south side of West 53rd Street between Fifth Avenue and Avenue of the Americas in Midtown Manhattan. The site was originally under contract to Orient Express Hotels (OEH) at a price of $59 million; however, OEH was unable to close and assigned the purchase and sale agreement to the buyer for $2 million. Based on a light and air easement in place from 666 Fifth Avenue, this site was limited to 149,292 square feet of commercial development. In December 2011, the buyers reached agreement with the owners of 666 Fifth Avenue to lift the light and air easement, allowing them to use the entire as of right ZFA of 210,876 square feet. The fee paid to lift the easement was $30,285,000. Additionally, after the lifting of the easement, the owners exercised an option to purchase 45,000 square feet of TDR's from the adjacent 21 Club site for $300/sf or $13.5 million. The buyer is required to develop and convey 28,560 square feet of space to the Library which will consist of ground and lower level space. The additional cost attributed to the development of the library space is $13 million. Lastly, we have included in the noted purchase price $25 per square foot to demolish the existing improvements (totaling 100,441 square feet). The upper portion of the building is proposed to comprise a Baccarat-themed Starwood brand hotel concept, which is considered their high end brand. Utilizing the total purchase price, cost to lift the easement, cost to purchase additional TDR's, cost to demolish the existing improvements and cost to develop the library space, the total consideration is $120,296,025, or $470 per square foot of zoning floor area.
STATISTICS												
Low		7,220	0.17	9.85	99,540				7/11	$36,575,000	$352.54	
High		20,708	0.48	27.71	294,367				5/12	$135,300,000	$1,124.91	
Average		11,968	0.27	15.69	107,285				12/11	$88,278,504	$524.95	

Compiled by Cushman & Wakefield, Inc.

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DISCUSSION OF COMPARABLE SALES

COMPARABLE SALE NO. 1

This is the contract of sale of a site located at 220-246 West 41st Street between Seventh and Eighth Avenues in Midtown Manhattan. 220-226 W 41st Realty (Brach) signed a contract to sell the property to OTO Development in May 2012 for a total consideration of $36,575,000, or $367.44 per square foot of zoning floor area. The parcel contains 8,295 square feet with a maximum FAR of 12.00 times the lot area which permits a maximum zoning floor area of 99,540 square feet. The site is currently improved with a parking garage containing 23,000 square feet of gross building area. The potential buyer plans to raze the garage and redevelop the site with a hotel. We have assumed a demolition cost of $575,000, or $25.00 per square foot of gross building area.

COMPARABLE SALE NO. 2

This is the sale to Thor Equities for $132.0 million regarding the site located at the northwest corner of West 43rd Street and Fifth Avenue. The site contains a land area of 10,625 square feet and is currently improved with three contiguous buildings totaling 94,411 square feet of gross building area. The site is zoned C5-3 in the Midtown Special Purpose District. The as-of-right permitted zoning floor area (ZFA) was 159,375 square feet (10,625 SF x 15.0 = 159,375). In addition, the seller purchased 134,992 square feet of additional development rights from two adjacent sites which increased the maximum permitted zoning floor area (ZFA) to 294,367 square feet. The prospective buyer, Thor Equities, plans to raze the existing improvements and redevelop the property with a mixed-use tower anchored by a multi-level retail space. Thor Equities noted it is currently in negotiations for potential partners on the upper portion of the building which is proposed to be developed with either a residential or hotel use. We have assumed a demolition cost of $3,300,000 ($25/SF). Overall, the total consideration is $135,300,000. Based on the maximum permitted zoning floor area, the sale price develops a unit price of $459.63 per square foot of zoning floor area.

COMPARABLE SALE NO. 3

This is the sale of site located at 1150 Avenue of the Americas between West 44th and 45th Streets in Midtown Manhattan. Pan American Magazine Building LLC sold this property to Fortuna 1150 LLC in March 2012 for a total consideration of $39,000,000, or $352.54 per square foot of zoning floor area. The site contains 7,375 square feet, with a maximum FAR of 15.00 times the lot area which permits a maximum building area of 110,625 square feet. At the time of sale, the site was improved with the former Pan American Magazine Building totaling 50,000 square feet of gross building area, The buyer, Morris Moinian, plans to demolish the existing improvements to accommodate a 35-40 story, 150,000 square foot hotel development that is estimated to cost $140,000,000 ($933/SF). Duane Reade has reportedly agreed to lease the retail space within the base of the building. We have utilized a demolition cost of $1,250,000, or $25 per square foot of gross building area.

COMPARABLE SALE NO. 4

This is the sale of a site located on the south side of West 57th Street between Fifth Avenue and Avenue of the Americas, which is zoned C5-3 in the Midtown Special Purpose District. Trigon Equities sold this property to Sheldon Solow in March 2012 for a consideration of $120,000,000, or $1,106.46 per square foot of zoning floor area. The site contains 7,230 square feet, with a maximum FAR of 15.00 times the lot area which permits a maximum building area of 108,454 square feet. At the time of sale, the site was improved with a class B office building with the grade retail space leased to Henri Bendel. The buyer, Sheldon Solow, has not revealed any plans. However, this site could be part of a potential assemblage as the buyer owns the adjacent lots, 6 West 57th Street and 20 West 57th Street. We have assumed a demolition cost of $2,000,000 ($25/SF). The overall consideration is $122,000,000 or $1,124.91 per square foot of zoning floor area.

COMPARABLE SALE NO. 5

This comparable is located on the west side of Amsterdam Avenue between West 67th and West 68th Streets. In September 2011, Lawrence Downtown Holdings, LLC c/o EQR-Acquisitions GP entered into a long-term ground lease with ACP Amsterdam I, LLC. The site contains 20,708 square feet and is zoned R8 with a C2-5 commercial overlay. The site yields a total of 203,989 square feet of zoning floor area. The site is encumbered by a 99-year ground lease with no options for renewal and no purchase option. The $76,500,000 represents the capitalized value of the ground lease, which has been confirmed with the parties involved in the transaction as well as with recorded documents on file with the New York City Department of Finance. The zoning floor area to the site was increased prior to lease execution through a zoning lot merger established between several adjacent parcels, owned by entities controlled by ACP or its affiliates. The site is currently improved with a vacant commercial building containing 41,416 square feet of gross building area. The lessee intends to construct a residential apartment building on the site. Based on the maximum permitted zoning floor area, the capitalized value of the ground lease develops an unadjusted unit price of $375.02 per square foot of zoning floor area.

COMPARABLE SALE NO. 6

The is the sale of a development site located on the former Donnell Library site on the south side of West 53rd Street between Fifth Avenue and Avenue of the Americas in Midtown Manhattan. The site was originally under contract to Orient Express Hotels (OEH) at a price of $59 million; however, OEH was unable to close and assigned the purchase and sale agreement to the buyer for $2 million. Based on a light and air easement in place from 666 Fifth Avenue, this site was limited to 149,292 square feet of commercial development. In December 2011, the buyers reached agreement with the owners of 666 Fifth Avenue to lift the light and air easement, allowing them to use the entire as of right ZFA of 210,876 square feet. The fee paid to lift the easement was $30,285,000. Additionally, after the lifting of the easement, the owners exercised an option to purchase 45,000 square feet of TDR's from the adjacent '21' Club site for $300 per square foot or $13.5 million. The buyer is required to develop and convey 28,560 square feet of space to the Library which will consist of ground and lower level space. The additional cost attributed to the development of the library space is $13 million. Lastly, we have included in the noted purchase price $25 per square foot to demolish the existing improvements (totaling 100,441 square feet). The upper portion of the building is proposed to comprise a Baccarat-themed Starwood brand hotel concept, which is considered their high end brand. Utilizing the total purchase price, cost to lift the easement, cost to purchase additional TDR's, cost to demolish the existing improvements and cost to develop the library space, the total consideration is $120,296,025, or $470.13 per square foot of zoning floor area.

LAND SALE ADJUSTMENT GRID

		Economic Adjustments (Cumulative)					Property Characteristic Adjustments (Additive)						
No.	Price/ZFA & Date	Property Rights Conveyed	Conditions of Sale	Financing	Market[1] Conditions	PSF Land Subtotal	Location	Size	Zoning	Utility[2]	Configuration	Other	Adj. Price/ZFA
1	**$367.44**	Fee Simple	Arms-Length	None	Inferior	**$375.03**	Inferior	Smaller	Similar	Inferior	Inferior	Similar	**$337.53**
	5/12	0.0%	0.0%	0.0%	2.1%	2.1%	10.0%	-35.0%	0.0%	10.0%	5.0%	0.0%	-10.0%
2	**$459.63**	Fee Simple	Arms-Length	None	Inferior	**$472.97**	Similar	Smaller	Similar	Inferior	Similar	Similar	**$378.37**
	3/12	0.0%	0.0%	0.0%	2.9%	2.9%	0.0%	-25.0%	0.0%	5.0%	0.0%	0.0%	-20.0%
3	**$352.54**	Fee Simple	Arms-Length	None	Inferior	**$362.77**	Similar	Smaller	Similar	Inferior	Inferior	Similar	**$326.50**
	3/12	0.0%	0.0%	0.0%	2.9%	2.9%	0.0%	-35.0%	0.0%	15.0%	10.0%	0.0%	-10.0%
4	**$1,124.91**	Fee Simple	Arms-Length	None	Inferior	**$1,157.55**	Superior	Smaller	Similar	Superior	Similar	Similar	**$347.26**
	3/12	0.0%	0.0%	0.0%	2.9%	2.9%	-20.0%	-35.0%	0.0%	-15.0%	0.0%	0.0%	-70.0%
5	**$375.02**	Fee Simple	Arms-Length	None	Inferior	**$395.41**	Inferior	Smaller	Inferior	Similar	Inferior	Similar	**$375.64**
	9/11	0.0%	0.0%	0.0%	5.4%	5.4%	5.0%	-25.0%	10.0%	0.0%	5.0%	0.0%	-5.0%
6	**$470.13**	Fee Simple	Arms-Length	None	Inferior	**$499.82**	Similar	Smaller	Similar	Similar	Similar	Similar	**$374.86**
	7/11	0.0%	0.0%	0.0%	6.3%	6.3%	0.0%	-25.0%	0.0%	0.0%	0.0%	0.0%	-25.0%

STATISTICS

$352.54	- Low	Low -	$326.50
$1,124.91	- High	High -	$378.37
$524.95	- Average	Average -	$356.69

Compiled by Cushman & Wakefield, Inc.

(1) Market Conditions Adjustment Footnote

Refer to discussion of adjustments
Date of Value (for adjustment calculations): 10/1/12

(2) Utility Footnote

Utility includes access, frontage and visibility.

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DISCUSSION OF ADJUSTMENTS

PROPERTY RIGHTS CONVEYED

The property rights conveyed in a transaction typically have an impact on the sale price of a property. Acquiring the fee simple interest implies that the buyer is acquiring the full bundle of rights. Acquiring a leased fee interest typically means that the property being acquired is encumbered by at least one lease, which is a binding agreement transferring rights of use and occupancy to the tenant. A leasehold interest involves the acquisition of a lease, which conveys the rights to use and occupy the property to the buyer for a finite period of time. At the end of the lease term, there is typically no reversionary value to the leasehold interest. Since we are valuing the fee simple interest as reflected by each of the comparables, an adjustment for property rights is not required.

FINANCIAL TERMS

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

CONDITIONS OF SALE

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

MARKET CONDITIONS

The breadth and speed of the virtual collapse of the American financial system in 2008 has had major reverberations in worldwide capital and credit markets. These events caused significant declines in the real estate market and led to a near cessation of transactions. However, markets have stabilized in the past 18 months as is evident in the transactional activity in 2010 and 2011. In the later portion of 2010, there was renewed investment activity particularly in the residential market, with a number of assets offered that generated significant interest from investors. Core U.S. markets including northern Virginia, Washington D.C., Boston, Dallas, and San Francisco witnessed a number of sales. As investors determined the markets were stabilized and with some financing available, developers were more willing to acquire development sites for potential development. Locally, this is evident by the number of transactions that occurred in the latter part of 2010 and early 2011. Beginning in September 2010, we have made a positive adjustment for market conditions at a rate of 5.0 percent per annum.

We discussed the investment sales market with Helen Hwang, Executive Vice President and head of Cushman & Wakefield's Capital Markets team in New York City. Investment grade assets and development sites remain in strong demand by investors/developers. Cushman & Wakefield's New York City Investment Sales team has sold several development sites in 2011 and demand was very strong and prices have increased through the year.

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 location (reputation of the surrounding buildings), and trends in future growth or decline. The subject site has a excellent location on Avenue of the Americas between West 51st and West 52nd Streets in the Plaza District and offers good access to public transportation. We have made a negative adjustment to those comparables considered superior in location versus the subject. Conversely, a positive adjustment was made to those comparables considered inferior.

SIZE (ZONING FLOOR AREA)

The adjustment for size generally reflects the inverse relationship between unit price and lot size. Smaller lots tend to sell for higher unit prices than larger lots, and vice versa. This adjustment is based on the zoning floor area and not the physical site size. This comparison is common given the vertical nature and density of the City.

Positive adjustments are made to sites that yield a larger zoning floor area, and downward adjustments are made to sites that yield a smaller amount of zoning floor area.

The subject site has a larger amount of zoning floor area than all of the comparables. Each comparable was adjusted accordingly.

ZONING

Many factors of zoning dictate the resultant use, density and design of a development. Density regulations are determined not only by Floor Area Ratios, but by height limitations, mandatory street wall setbacks, rear yard setbacks and requirements for retail continuity or pedestrian access. Wide streets in the Manhattan core, as well as corner locations, tend to improve utility for developers. The presence of subway stations, while very beneficial for locational attributes, also result in developers needing to be cognizant of subway tunnels that traverse across or along a site, as the protection of tunnels is an added cost of development. The zoning adjustment also considers features, such as setback regulations, height restrictions, open space requirements, lot coverage requirements, and the potential use groups available for a particular site. For example, C1-9 zoning requires 60 percent of the zoning floor area to be massed in the base of the building prior to any setback. It typically results in buildings less than 30 stories in height. Additionally, development sites located in the Midtown Special Purpose District offer zoning enhancements that permit larger tower construction. All other comparables are considered to be similar in terms of their zoning characteristics. Each comparable has been adjusted accordingly.

UTILITY

The adjustment for utility is intended to reflect differences with regard to plots in regard to access, zoning, frontage, and visibility. Mid-block sites and sites within areas with height limitations have inferior utility. Utility adjustments consider soil/sub-soil conditions to the extent known. The subject site is located in a commercially zoned area and has adequate frontage on Fifth Avenue. Given its overall physical characteristics and zoning, the site is considered adequate to accommodate most permitted development possibilities. Each comparable was adjusted accordingly.

CONFIGURATION

An adjustment for configuration was intended to reflect differences with regard to plots, which were more irregular in shape versus plots which were more square or rectangular. It also considers frontage to depth ratios and perimeter areas. Configuration affects the shape of the prospective building's floor plate and is an important factor for developers and investors. Given the size and shape of the of the subject site, it offers a developer an average level of flexibility in design features. The site's size does not offer a large area to accommodate off-site staging areas during construction and the site does not have corner frontage. Each comparable was adjusted accordingly.

OTHER

This category accounts for any other adjustments not previously discussed. Examples include soil or slope conditions, restrictive zoning, easements, wetlands or external influences. No other adjustments have been made.

CONCLUSION OF SITE VALUE

The land value for subject property is based upon the 1,167,675 square feet of permitted zoning floor area as described in the Zoning section of the report. This constitutes the zoning floor area before mechanical bonuses and increases based upon a particular design. Architects typically devise programming schedules, which increase the gross building area somewhat. The comparables have been analyzed based upon the use of a maximum zoning floor area before adjustments for a particular design.

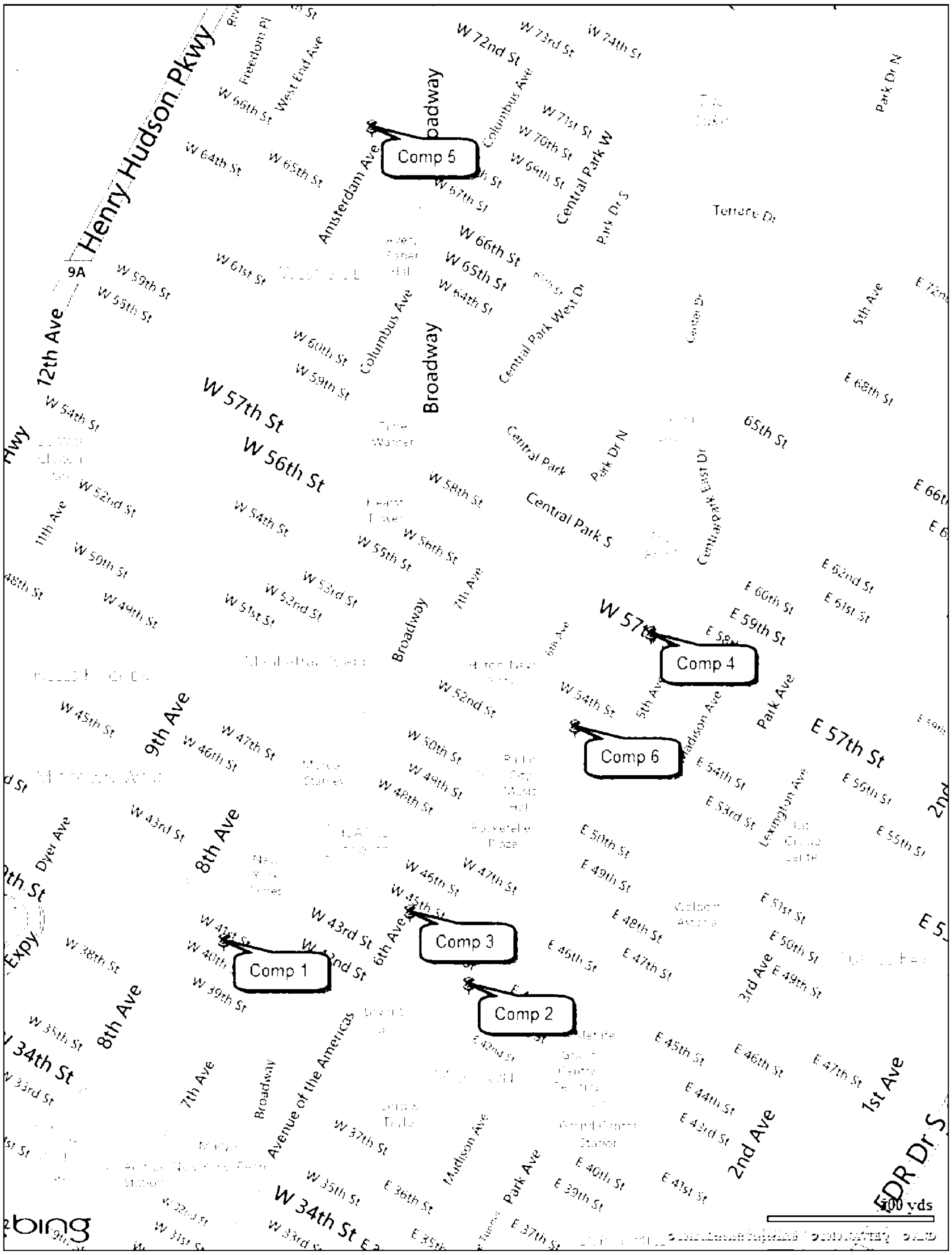
While the development community is still under some pressure as credit markets have remained constrained, there are positive signs in the market. There have been a number of land transactions in the past 12 months, which is an indication that the development community anticipates a return to lending, particularly for new construction. In addition, an increasing number of developments have secured construction financing.

Overall, the comparables range from 99,540 to 294,367 square feet of zoning floor area. All the comparables are located within commercial zoning districts. The location is also of importance in our adjustment process. As noted by the summary of comparables, the sales reflect a range in unadjusted price per square foot indicators from $352.54 to $1,124.91 per ZFA. After adjustments, the land sales reflect a range from $326.50 to $378.37 per square foot and an average of $356.69 per ZFA.

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 $350.00 per FAR based on a highest and best use. Therefore, our opinion of the **fee simple interest of the subject site** indicated by the Sales Comparison Approach is computed as follows:

LAND VALUATION CONCLUSION	
	INDICATED VALUE
Maximum FAR:	1,167,675
Indicated Value per FAR:	X $350.00
Indicated Land Value:	$408,686,250
Rounded Land Value:	$400,000,000
Fee Simple Value per FAR:	$342.46

LAND SALES MAP



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

It should be noted that we have analyzed the subject property based on the remeasured net rentable area of 2,113,259 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	Floor Sizes	No. Stories	Sale Date	Grantor/ Grantee	Price	Price/NRA	NOI/SF	OAR	Occupancy at Sale	EGIM	Financing
1	**666 Third Avenue** Between 42nd & 43rd Streets Midtown Manhattan	34.771	769.867	1952	11.238 38.676	32	Oct-12 **Contract**	Commerzbank / Hong Kong Monetary Authority and Korea Investment Corporation	$493.000.000 **100% Interest**	$640.37	$28.35	4.43%	100%	11.06	Cash
	Comments:	The property is a modern Class A office building that was constructed in 1952. The property is currently under contract of sale to Hong Kong Monetary Authority and Korea Investment Corporation who are buying an 80 percent interest in the property from Commerzbank at a purchase price that equals $493 million based on 100 percent interest in the property. The property underwent a redevelopment in 2000 to reposition it as a more desirable destination for high quality tenants. 666 Third Avenue was also expanded by constructing an additional 130.000 square feet of office space as a vertical addition using air rights from the four adjacent retail buildings. The largest office tenants include Credit Agricole Corp. (138,086 square feet). Mintz, Levin, Cohn, Ferris (80,380 square feet), and Watson Wyatt & Company (84.750 square feet). The retail space located on the grade and arcade levels of the builiding is leased to 5 retail tenants. Approximately 40 percent of the property's leases expire in the next five years. The current in-place gross rental rate is approximately $55 per square foot for office tenants. The current overall capitalization rate is 4 43 percent													
2	**220 West 42nd Street** Candler Tower Between Seventh and Eighth Avenues Midtown Manhattan	10.109	227.685	1924	6.039 11.833	24	Aug-12 **Contract**	Paramount Group Epic Realty, Inc	$261.000.000	$1.146.32	$64.78	5.65%	100%	12.62	Cash
	Comments:	Sale of an office and retail building containing 24-stories located on 42nd Street in Times Square. The property, known as Candler Building, is a historic landmark that was the tallest building in Midtown upon its construction in 1924. The exterior facade contains glazed terra cotta tiles and ornamented windows and cornices. The entire property is currently triple net leased through September 2020 to SFX Entertainment. Inc. The ground floor and second level are subleased to McDonald's Corporation. The mechanical and operating systems were recently renovated at a cost of $35 million. The property was previously purchased in May 2006 by Paramount Group from Clear (NY) LP for $208 million													
3	**450 Lexington Avenue** S/W/C East 45th Street Midtown Manhattan	60.700	929.655	1992	20.148 46.863	40	Jul-12 **Contract**	Istithmar Investment Holding Company / RXR Realty	$720.000.000 **Leasehold**	$774.48	$32.16	4.15%	99%	9.19	Cash
	Comments:	Sale of a trophy Class A office building which is considered in the marketplace to be one of the better "newer" buildings in the Grand Central District. Over 86 percent of the building is leased to two tenants. Davis Polk and Wardwell (54 percent) and Warburg Pincus LLC (31 percent). Davis Polk and Wardwell is in the process of renegotiating their lease via arbitration. The property is subject to a long-term ground lease with the U.S. Postal Service. The property was previously purchased by Istithmar Investment Holding Company from Westbrook and Murray Hill Properties in August 2006 for $600 million													
4	**575 Lexington Avenue** Between 51st & 52nd Streets Midtown Manhattan	32.670	743.683	1958/ 1990	8.000 34.000	35	Jun-12 **Contract**	Silverstein Properties & CALSTRS / Normandy Partners & NY Life	$360.000.000	$484.08	$17.87	3.69%	82%	12.54	Cash
	Comments:	Sale of a Class A office tower located in the Plaza District submarket. The building was constructed in 1972. The largest office tenants include Cornell University (130 280 square feet). Boies Schiller & Flexner LLP (94 111 square feet) and Palestrini Post Production (41 585 square feet). The building contains approximately 51 000 square feet of retail space with frontage on Lexington Avenue and a two-level 150 space garage. The retail space is primarily leased to New York Sports Club (35.924 square feet), which recently renewed its lease through 2022, and Duane Reade (11.505 square feet, parent company Walgreen Co. S&P A rated) through 2027. The current in-place gross rental rate is approximately $47 per square foot for office tenants.													

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SUMMARY OF IMPROVED SALES (CONTINUED)

	Physical Data						Sale Data			Financial Data					
No.	Property Name Location	Land Area (SF)	Net Rentable Area (SF)	Year Built	Floor Sizes	No. Stories	Sale Date	Grantor/ Grantee	Price	Price/NRA	NOI/SF	OAR	Occupancy at Sale	EGIM	Financing
5	**400 Madison Avenue** Between 47th & 48th Streets Midtown Manhattan	8,987	184,859	1929/ 2000	2,525 8,500	21	Jun-12 **Contract**	William Macklowe Company / ASB Capital	$139,600,000	$755.17	$38.17	5.06%	95%	10.45	Cash
	Comments:	Sale of an office building located on the westerly blockfront of Madison Avenue between East 47th and East 48th streets in the Plaza office submarket of Midtown Manhattan. The building was substantially renovated in 1999-2000 at a cost of over $25 million, which included base building upgrades, a new lobby, window replacement, mechanical modernization of elevators, mechanical and electrical upgrades, and roof replacement. The majority of the office space in the building is leased to tenants that lease smaller units of space.													
6	**645 Fifth Avenue** Olympic Tower Between 51st & 52nd Streets Midtown, Manhattan	36,556	505,827	1930/ 1947/ 1981	7,167 22,064	21	May-12 **Contract**	Olympic Tower Associates / Crown Acquisitions	$840,000,000 **100% Interest** **Leasehold**	$1,660.65	$54.89	3.31%	96%	17.22	Cash
	Comments:	Sale of four retail and office properties to Crown Acquisitions who is purchasing a 49.9 percent interest in the property from Olympic Tower Associates at a purchase price that equals $840,000,000 based on 100 percent interest in the property. The sale includes $319 million in equity at 49.9 percent interest and $250 million in debt. The property includes 645, 647, 651 Fifth Avenue and 10 East 52nd Street located between East 51st and East 52nd Streets. Olympic Tower is the commercial condominium located on the basement, grade and 2nd through 21st floors of 645 Fifth Avenue, which contains 407,994± rentable square feet. 645 Fifth Avenue is a 52-story mixed use retail, office and residential building built in 1981. 647 Fifth Avenue is a 5-story retail building constructed in 1930 that contains 20,000± rentable square feet. The entire building is master leased to Prato Verde (Versace) through January 2015. 651 Fifth Avenue is a 5-story retail building constructed in 1947 that contains 55,000± square feet of net rentable area. The entire building is master leased to Cartier through February 2014. 10 East 52nd Street is a 7-story commercial building constructed in 1930 that contains 22,833± rentable square feet. The property includes 6,917± square feet of retail space on the basement, ground and 2nd floor, while the office space contains 15,916± square feet. The retail is leased to Fig & Olive Fifth Avenue through June 2022. The office space is leased to Richemont North America, Inc., the parent company of Cartier, through April 2018. The land under Olympic Tower is subject to two ground leases, Olympic Gold and Pochari. The primary ground lease, known as Olympic Gold, encompasses the majority of the property. This lease commenced in September 1975 for a 99 year term with a fixed rent of $1,750,000 per annum. The smaller ground lease for a small parcel previously known as 8 East 52nd Street (located under the northern entrance to the lobby), referred to as the Pochari lease, commenced in January 1968. The annual rent is $82,718. Olympic Tower was built by Aristole Onassis and his company, Victory Real Estate Development, and became the first New York skyscraper to include a combination of retail shops, commercial office space and owner-occupied apartments in the same building. The current overall capitalization rate increases to 5.40 percent in year four of the holding period.													
7	**10 East 53rd Street** B/w Madison & Fifth Avenues Midtown Manhattan	17,071	388,684	1972	8,052 16,361	37	Jan-12	New Millennium Estates Ltd. / JV SL Green Realty Trust & Canada Pension Plan Investment Board	$252,500,000	$649.63	$26.08	4.01%	91%	12.91	Cash
		Sale of a Class A office located at 10 East 53rd Street between Madison and Fifth Avenues. The building was constructed in 1972. The property was leased up in 2004-2005 following JP Morgan Chase vacating the building. Approximately 61 percent or 215,495 square feet is leased to HarperCollins with a lease expiration of June 2014. The current contract rents are $50.00 per square foot for HarperCollins and $64.57 per square foot for the remaining ten office tenants in the building.													
8	**666 Fifth Avenue** B/w 52nd & 53rd Streets Midtown Manhattan	61,750	1,456,479	1957	24,000 78,500	39	Nov-11	Kushner Companies / Vornado Realty Trust	$1,115,000,000 **100% Interest** **Condominium**	$765.54	$24.69	3.23%	75%	13.40	Cash
		Vornado Realty Trust purchased a minority interest in the property from Kushner Companies at a purchase price that equals $1.115 billion based on 100 percent interest in the property. The property consists of the office condominium unit located within the sub-basement, lower level, arcade, ground floor and 2nd through 39th floors of 666 Fifth Avenue, a modern 39-story office building built in 1957 (renovated in 1999). The property is currently 74.75 percent leased to 20 office tenants and 12 retail tenants. The three largest tenants are Citibank, Integrated Holding and Fulbright & Jaworski who together lease over 35 percent of the property's total rentable area. The retail condominium units located within the sub-basement, lower level, ground floor and second through third floors leased to Abercrombie & Fitch and Uniqlo (Lot 1101) and owned by Inditex SA, the parent company of Zara (Lot 1103) are not part of the property. The property (entire property) was previously purchased by Kushner Companies from Tishman Speyer Properties in December 2006 for $1.8 billion. The current overall capitalization rate increases to 5.50 percent in year five of the holding period.													

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SUMMARY OF IMPROVED SALES (CONTINUED)

No.	Property Name / Location	Land Area (SF)	Net Rentable Area (SF)	Year Built	Floor Sizes	No. Stories	Sale Date	Grantor/ Grantee	Price	Price/NRA	NOI/SF	OAR	Occupancy at Sale	EGIM	Financing
	Physical Data						**Sale Data**			**Financial Data**					
9	**375 Park Avenue** B/w 52nd & 53rd Streets Midtown Manhattan	59.950	850.432	1957	15,665 38,797	38	Oct-11	RFR Holding LLC / Blackstone	$1.200.000.000 **100% Interest**	$1.411.05	$63.44	4.50%	96%	13.90	Cash
		Blackstone purchased a preferred equity interest in the property from RFR Holding LLC at a purchase price that equals $1.2 billion based on 100 percent interest in the property. The property consists of a modern 38-story Class A multi-tenant office building built in 1957 containing 850 432 rentable square feet The Seagram Building. built by Joseph E. Seagram & Sons in 1957. is an International Style landmarked "boutique" office building designed of glass curtain wall designed by Ludwig Mies van der Rohe and Philip Johnson. The glass curtain wall façade and perimeter (including interior light fixtures visible from the outside) of the building has been designated as a historic landmark. The ground floor includes the Four Seasons Restaurant. a large granite outdoor plaza with water fountains, and the main lobby which contains Picasso Alley. The Concourse A level is a semi-basement level with partial street access which includes the Brasserie Restaurant The Concourse B level contains 150 space parking garage													
10	**2 Grand Central Tower** B/w Lexington & Third Avenues Midtown Manhattan	17.575	667,000	1983	14.400 15,630	43	Sep-11	2 GCT Partners LLC / Rockwood Capital	$400,000,000	$599.70	$21.52	3.59%	96%	13.66	Cash
	Comments:	Sale of a Class A office located at 140 East 45th Street on the south side of East 45th Street through block to East 44th Street between Lexington and Third Avenues The building was constructed in 1983 by the Macklowe Organization. The property was leased up in 2004-2005 following JP Morgan Chase vacating the building. The seller is a joint venture of Boston Properties. Goldman Sachs and Meraas Capital. The joint venture acquired the property from Macklowe Properties in 2008 for $427 930.000 which included the assumption of a $190 million mortgage													
11	**650 Madison Avenue** B/w 59th & 60th Streets Midtown Manhattan	35.300	603,666	1987	6,732 44,149	27	Sep-11	Carlyle Group JV Ashkenazy / AREA / China Investment Corp.	$950,000.000 **100% Interest**	$1,573.72	$56.74	3.61%	94%	19.12	Cash
	Comments:	AREA Property Partners and China Investment Corporation purchased a preferred equity interest in the property from The Carlyle Group JV Ashkenazy Acquisition Corp. at a purchase price that equals $950.000.000 based on 100 percent interest in the property As part of the transaction the entire capital stack was restructured This is a Class A office building located on Madison Avenue The current weighted average contract office rents are $75 32 per square foot Only 33 percent of the leases are set to expire within the next ten years The largest tenant is Polo Ralph Lauren who currently leases over 240.000 square feet through December 2024 The largest retail store is leased to Crate & Barrel who occupies vertical retail space containing 69 139 square feet located on the basement through 2nd floors of the building. The lease with Crate & Barrel is below market and provides two. 5-year renewal options when their lease expires in March 2009 The property was previously purchased in April 2008 by Ashkenazy Acquisitions Corp. from Hiro Real Estate LLC for $690 million The overall capitalization rate increases to 4.50 percent by year three of the holding period													
12	**Park Avenue Plaza** 56 East 52nd Street Midtown Manhattan	45.845	1.136.977	1981	28.261 40.773	44	Sep-11	Rockpoint Group / Asian Investor	$1.100.000.000 **100% Interest**	$967.48	$38.16	3.94%	100%	14.19	Cash
	Comments:	Rockpoint Group sold a 49 percent minority interest in the property to an unnamed high-net-worth investor at a purchase price that equals approximately $1.0 billion based on 100 percent interest in the property. The subject property is leased to five office tenants The largest tenant is McKinsey & Company who leases approximately 35 percent of the property's rentable area through July 2017. The next largest office tenant is Aon Service Corp currently leasing approximately 25 percent of the property's rentable area through April 2023 The remaining office tenants include Swiss Re ABN Amro and Blackrock The property was constructed in 1981 by Fisher Brothers who is the majority interest partner. The Rockpoint Group previously purchased a 49 percent joint-control equity interest in the building from Fisher Brothers in June 2010 at a purchase price of $330 million. which equals approximately $673 million based on 100 percent interest in the property													

STATISTICS	Land Area (SF)	Net Rentable Area (SF)	Year Built	Price/NRA	NOI/SF	OAR	Occupancy at Sale
LOW	8.987	184.859	1924	$484.08	$17.87	3.23%	74.75%
HIGH	61.750	1.456.479	2000	$1.660.65	$64.78	5.65%	100.00%
MEAN	35.107	705.401	1973	$952.35	$38.90	4.10%	93.72%
MEDIAN	35.036	705,342	1981	$770.01	$35.16	3.98%	95.91%

CUSHMAN & WAKEFIELD
VALUATION & ADVISORY

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.

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 September 2011 and October 2012. Comparable Nos. 1 through 6 are under contract of sale. As of the fourth quarter of 2009, the market has leveled off as the confidence among investors has increased. Furthermore, in the income approach we forecast an increase in office market rental rates from 2014 through 2018. Since there is a direct relationship between increases in market rental rates and increases in building values we have forecasted a similar future increase in market conditions. As a result, no market condition adjustment was required through November 1, 2012, the effective date of this appraisal. We have made no adjustment to November 1, 2013, an upward adjustment of 3.00 percent per annum up to November 1, 2014, an upward adjustment of 7.00 percent per annum up to November 1, 2015; and, an upward adjustment of 10.00 percent per annum up to November 1, 2016, the prospective date of value.

Location

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

Physical Traits

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

Economic Characteristics

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

Other

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

DISCUSSION OF COMPARABLE SALES

Comparable Sale No. 1

This sale is located at 666 Third Avenue on the westerly blockfront of Third Avenue between East 42nd and East 43rd Streets in Midtown Manhattan. The property is currently under contract of sale to Hong Kong Monetary Authority and Korea Investment Corporation who are buying an 80 percent interest in the property from Commerzbank at a purchase price that equals $493 million based on 100 percent interest in the property. The property contains approximately 769,867± square feet. The property underwent a redevelopment in 2000 to reposition it as a more desirable destination for high quality tenants. 666 Third Avenue was also expanded by constructing an additional 130,000 square feet of office space as a vertical addition using air rights from the four adjacent retail buildings. The largest office tenants include Credit Agricole Corp. (138,086 square feet), Mintz, Levin, Cohn, Ferris (80,380 square feet), and Watson Wyatt & Company (84,750 square feet). The retail space located on the grade and arcade levels of the building is leased to 5 retail tenants. Approximately 40 percent of the property's leases expire in the next five years. The current in-place gross rental rate is approximately $55 per square foot for office tenants. The current sales price equates to $640.37 per square foot. The first year overall capitalization rate was 4.43 percent.

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 $1,088.26 per square foot.

Comparable Sale No. 2

This sale is located at 220 West 42nd Street on the south side of West 42nd Street throughblock to West 41st Street between Seventh and Eighth Avenues in Midtown Manhattan. This property is under contract of sale from Paramount Group to a confidential investor for a reported purchase price of $261,000,000. The property, known as The Candler Building, consists of a pre war 24-story Class A multi-tenant office property built in 1914 and completely renovated in 1999. The property, constructed by Asa Candler, a wholesale druggist who purchased the Coca-Cola formula in 1887, was once the tallest structure in Midtown Manhattan. In 1999, the property underwent a major renovation in which all of the mechanical and operating systems were replaced, and the lobby, roof and white terra cotta façade was renovated. The property has been designated as a historic landmark and is listed on the National Register of Historic Places. The property contains 227,685 rentable square feet on a 10,109 square foot parcel of land.

The property is fully net leased to SFX Entertainment, Inc. who is wholly owned by Live Nation (hereinafter referred to as SFX Entertainment, Inc.), who utilizes the space as their New York headquarters. The lease expires in September 2020 with two, 10-year renewal options at fair market rent. Currently, minimum rent is $12,287,581 or $53.97 per square foot. The property was extensively renovated in 1999 at a cost of over $22 million, which included installing state-of-the-art mechanical and life safety systems, upgrading the HVAC equipment, elevator service and electrical systems, renovating the lobby and repairing the majority of the white terra cotta façade. The retail space on the ground and 2nd floors is subleased to McDonald's restaurant who has invested approximately $13 million in their space. The subject property was acquired by Paramount Group, Inc. from Clear (NY) L.P. in April 2006 for $208,000,000. Including closing costs, the total purchase price was approximately $215,000,000. The current sales price equates to $1,146.32 per square foot. The first year overall capitalization rate was 5.65 percent.

In comparison with the subject property, an upward adjustment was required for market conditions. An upward adjustment was required for location. A downward adjustment was required for size under the premise that smaller properties sell for more per square foot than larger properties. An upward adjustment was required for quality and appeal. A downward adjustment was required for economics since the property is net leased. A downward adjustment was required for utility since the property has a significant retail component in Times Square, a premier retail area. No other adjustments were required. The adjusted price is $1,063.93 per square foot.

Comparable Sale No. 3

This sale is located at 450 Lexington Avenue at the southwest corner of East 45th Street in Midtown Manhattan. This property is under contract of sale from Istithmar Investment Holding Company to RXR Realty for a reported purchase price of $720,000,000. The building contains 929,655± square feet of rentable area and was constructed in 1992. This is the sale of a trophy Class A office building which is considered in the marketplace to be one of the better "newer" buildings in the Grand Central District. Over 86 percent of the building is leased to two tenants; Davis Polk and Wardwell (54 percent) and Warburg Pincus LLC (31 percent). At the time of sale, Davis Polk and Wardwell is in the process of renegotiating its lease via arbitration. The property is subject to a long-term ground lease with the U.S. Postal Service. The property was previously purchased by Istithmar Investment Holding Company from Westbrook and Murray Hill Properties in August 2006 for $600 million. The current sales price equates to $774.48 per square foot. The first year overall capitalization rate was 4.15 percent.

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 size under the premise that smaller properties sell for more per square foot than larger properties. A downward adjustment was required for age and condition. A downward adjustment was required for quality and appeal. No other adjustments were required. The adjusted price is $1,110.47 per square foot.

COMPARABLE SALE NO. 4

This sale is located at 575 Lexington Avenue between East 51st and East 52nd Streets in Midtown Manhattan. This property is under contract of sale to Normandy Partners and New York Life Insurance Company from Silverstein and CALSTRS for a reported purchase price of $360,000,000. The property contains 743,683± square feet. The building was constructed in 1958. The largest office tenants include Cornell University (130,280 square feet), Boies Schiller & Flexner, LLP (94,111 square feet), and Palestrini Post Production (41,585 square feet). The building contains approximately 51,000 square feet of retail space with frontage on Lexington Avenue, and a two-level 150 space garage. The retail space is primarily leased to New York Sports Club (35,924 square feet), which recently renewed its lease through 2022, and Duane Reade (11,505 square feet, parent company Walgreen Co, S&P A rated) through 2027.The current in-place gross rental rate is approximately $47 per square foot for office tenants. The current overall capitalization rate is 3.70 percent in year one of the holding period. The current sales price equates to $484.33 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 economics. No other adjustments were required. The adjusted price is $1,045.30 per square foot.

COMPARABLE SALE NO. 5

This sale is located at 400 Madison Avenue on the westerly blockfront of Madison Avenue between East 47th and East 48th streets in the Plaza office submarket of Midtown Manhattan. This property is under contract of sale from William Macklowe Company to ASB Capital for a reported purchase price of $139,600,000. The property contains 184,859 square feet of net rentable area and is 95 percent leased. The building was substantially renovated in 1999-2000 at a cost of over $25 million, which included base building upgrades, a new lobby, window replacement, mechanical modernization of elevators, mechanical and electrical upgrades, and roof replacement. The majority of the office space in the building is leased to tenants that lease smaller units of space. The current overall capitalization rate is 5.06 percent. The sale price equates to $755.17 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 $1,087.13 per square foot.

COMPARABLE SALE NO. 6

This is the contract of sale of four retail and office properties to Crown Acquisitions who is purchasing a 49.9 percent interest in the property from Olympic Tower Associates at a purchase price that equals $840,000,000 based on 100 percent interest in the property. The sale includes $319 million in equity and $250 million in debt. The property includes 645, 647, 651 Fifth Avenue and 10 East 52nd Street located between East 51st and East 52nd Streets. Olympic Tower is the commercial condominium located on the basement, grade and 2nd through 21st floors of 645 Fifth Avenue, which contains 407,994± rentable square feet. 645 Fifth Avenue is a 52-story mixed use retail, office and residential building built in 1981. 647 Fifth Avenue is a 5-story retail building constructed in 1930 that contains 20,000± rentable square feet. The entire building is master leased to Prato Verde (Versace) through January 2015. 651 Fifth Avenue is a 5-story retail building constructed in 1947 that contains 55,000± square feet of net rentable area. The entire building is master leased to Cartier through February 2014. 10 East 52nd Street is a 7-story commercial building constructed in 1930 that contains 22,833± rentable square feet. The property includes 6,917± square feet of retail space on the basement, ground and 2nd floor, while the office space contains 15,916± square feet. The retail is leased to Fig & Olive Fifth Avenue through June 2022. The office space is leased to Richemont North America, Inc., the parent company of Cartier, through April 2018.The buyers did not allocated the purchase price between the retail and office components.

The land under Olympic Tower is subject to two ground leases; Olympic Gold and Pochari. The primary ground lease, referred to as Olympic Gold, encompasses the majority of the property. This lease commenced in September 1975 and it extends for 99 years. The rent is fixed at $1,750,000 per annum. The smaller ground lease for a small parcel previously known as 8 East 52nd Street (located under the northern entrance to the lobby), referred to as the Pochari lease, commenced in January 1968. The annual rent is $82,718. Olympic Tower was built by Aristotle Onassis and his company, Victory Real Estate Development, and became the first New York skyscraper to include a combination of retail ships, commercial office space and owner-occupied apartments in the same building. The current overall capitalization rate increases to 6.00 percent in year four of the holding period. The current sale price reflects a unit price of $1,660.65 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 location. A downward adjustment was required for size under the premise that smaller properties sell for more per square foot than larger properties. A downward adjustment was required for age and condition. A downward adjustment was required for utility. No other adjustments were required. The adjusted price is $1,188.25 per square foot.

COMPARABLE SALE NO. 7

This sale is located at 10 East 53rd Street between Madison and Fifth Avenues in Midtown Manhattan. This property sold in January 2012 to SL Green Realty Trust from New Millennium Estates Ltd. for a reported purchase price of $252,500,000. The property contains approximately 388,684± square feet. The property was leased up in 2004-2005 following JP Morgan Chase vacating the building. Approximately 61 percent or 215,495 square feet is leased to HarperCollins with a lease expiration of June 2014. The current contract rents are $50.00 per square foot for HarperCollins and $64.57 per square foot for the remaining ten office tenants in the building. The current overall capitalization rate is 4.01 percent in year one of the holding period. The current sales price equates to $649.63 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 $1,049.54 per square foot.

COMPARABLE SALE NO. 8

This sale is located at 666 Fifth Avenue on the west block front of Fifth Avenue between West 52nd and West 53rd Streets in Midtown Manhattan. In November 2011 Vornado Realty Trust purchased a minority interest in the property from Kushner Companies at a purchase price that equals $1.115 billion based on 100 percent interest in the property. The property consists of the office condominium unit located within the sub-basement, lower level, arcade, ground floor and 2nd through 39th floors of 666 Fifth Avenue, a modern 39-story office building built in 1957 (renovated in 1999). The property is currently 74.75 percent leased to 20 office tenants and 12 retail tenants. The three largest tenants are Citibank, Integrated Holding and Fulbright & Jaworski who together lease over 35 percent of the property's total rentable area. The retail condominium units located within the sub-basement, lower level, ground floor and second through third floors leased to Abercrombie & Fitch and Uniqlo (Lot 1101) and owned by Inditex SA, the parent company of Zara (Lot 1103) are not part of the property. The property (entire property) was previously purchased by Kushner Companies from Tishman Speyer Properties in December 2006 for $1.8 billion. The current sales price equates to $765.54 per square foot. The current overall capitalization rate is 3.23 percent in year one and increases to 5.50 percent in year five of the holding period.

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 occupancy. No other adjustments were required. The adjusted price is $1,133.33 per square foot.

Comparable Sale No. 9

This sale is located at 375 Park Avenue between East 52nd and East 53rd Streets in Midtown Manhattan. This is the October 2011 sale of a confidential preferred equity interest in the property, from RFR Holding LLC to Blackstone, at a purchase price that equals $1.2 billion based on 100 percent interest in the property. The property consists of a modern, trophy 38-story Class A multi-tenant office building built in 1957 containing 850,432 rentable square feet. The Seagram Building, as 375 Park Avenue is also known, was built by Joseph E. Seagram & Sons in 1957, is an International Style landmarked "boutique" office building designed of glass curtain wall designed by Ludwig Mies van der Rohe and Philip Johnson. The glass curtain wall façade and perimeter (including interior light fixtures visible from the outside) of the building has been designated as a historic landmark. The ground floor includes the Four Seasons Restaurant, a large granite outdoor plaza with water fountains, and the main lobby which contains Picasso Alley. The Concourse A level is a semi-basement level with partial street access which includes the Brasserie Restaurant. The Concourse B level contains 150 space parking garage. The year one overall capitalization rate is 4.50 percent. The current sales price equates to $1,411.05 per square foot.

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 size under the premise that smaller properties sell for more per square foot than larger properties. A downward adjustment was required for age and condition. A downward adjustment was required for quality and appeal. No other adjustments were required. The adjusted price is $1,048.67 per square foot.

Comparable Sale No. 10

This sale is located at 2 Grand Central Tower at 140 East 45th Street on the south side of East 45th Street through block to East 44th Street between Lexington and Third Avenues in Midtown Manhattan. This property sold in September 2011 to Rockwood Capital from 2 GCT Partners LLC, a joint venture of Boston Properties, Goldman Sachs and Meraas Capital. The joint venture acquired the property from Macklowe Properties in 2008 for $427,930,000, which included the assumption of a $190 million mortgage. The property contains approximately 667,000± square feet. The building was constructed in 1983 by the Macklowe Organization. The property was leased up in 2004-2005 following JP Morgan Chase vacating the building. The current overall capitalization rate is 3.59 percent. The current sales price equates to $599.70 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 $1,073.79 per square foot.

Comparable Sale No. 11

This sale is located at 650 Madison Avenue between East 59th and East 60th Streets in Midtown Manhattan. This property sold in September 2011 to AREA Property Partners and China Investment Corporation who purchased a preferred equity interest in the property from The Carlyle Group JV Ashkenazy Acquisition Corp. at a purchase price that equals $950,000,000 based on 100 percent interest in the property. As part of the transaction, the entire capital stack was restructured. This is a Class A office building located on Madison Avenue. The current weighted average contract office rents are $75.32 per square foot. Only 33 percent of the leases are set to expire within the next ten years. The largest tenant is Polo Ralph Lauren who currently leases over 240,000 square feet through December 2024. The largest retail store is leased to Crate & Barrel who occupies vertical retail space containing 69,139 square feet located on the basement through 2nd floors of the building. The lease with Crate & Barrel is below market and provides two, 5-year renewal options when their lease expires in March 2009. The property was previously purchased in April 2008 by Ashkenazy Acquisitions Corp. from Hiro Real Estate LLC for $690 million. The current sales price equates to $1,573.72 per square foot. The current overall capitalization rate is 3.61 percent in year one and increases to 4.50 percent by year three of the holding period.

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 size under the premise that smaller properties sell for more per square foot than larger properties. A downward adjustment was required for quality and appeal. A downward adjustment was required for utility since the property has a significant retail component in Madison Avenue, a premier retail area. No other adjustments were required. No other adjustments were required. The adjusted price is $1,056.68 per square foot.

Comparable Sale No. 12

This sale is located at 56 East 52nd Street between Park and Madison Avenue in Midtown Manhattan. A 49 percent interest of Park Avenue Plaza was sold to a confidential Asian investor from the Rockpoint Group at a purchase price that equals $1,000,000,000 based on 100 percent interest in the property. The subject property is leased to five office tenants. The largest tenant is McKinsey & Company who leases approximately 35 percent of the property's rentable area through July 2017. The next largest office tenant is Aon Service Corp. currently leasing approximately 25 percent of the property's rentable area through April 2023. The remaining office tenants include Swiss Re, ABN Amro and Blackrock. The property was constructed in 1981 by Fisher Brothers who is the majority interest partner. The Rockpoint Group previously purchased a 49 percent joint-control equity interest in the building from Fisher Brothers in June 2010 at a purchase price of $330 million, which equals approximately $673 million based on 100 percent interest in the property. The current overall capitalization rate is 3.94 percent in year one of the holding period. The current sales price equates to $967.48 per square foot.

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 size under the premise that smaller properties sell for more per square foot than larger properties. A downward adjustment was required for age and condition. A downward adjustment was required for quality and appeal. No other adjustments were required. The adjusted price is $1,010.52 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 $484.08 to $1,660.65 per square foot. The mean price per square foot exhibited by the comparables was calculated to be $952.35 per square foot and the median price per square foot was $770.01.

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
1	$640.37	Leased Fee/Mkt.	Arms-Length	None	49	$906.88	Similar	Smaller	Inferior	Inferior	Similar	Similar	Similar	Similar	$1,088.26
	10/12	0.0%	0.0%	0.0%	41.6%	41.6%	0.0%	-15.0%	15.0%	20.0%	0.0%	0.0%	0.0%	0.0%	20.0%
2	$1,146.32	Leased Fee/Mkt.	Arms-Length	None	51	$1,636.81	Inferior	Smaller	Similar	Inferior	Similar	Superior	Superior	Similar	$1,063.93
	8/12	0.0%	0.0%	0.0%	42.8%	42.8%	10.0%	-30.0%	0.0%	5.0%	0.0%	-5.0%	-15.0%	0.0%	-35.0%
3	$774.48	Leasehold/Mkt.	Arms-Length	None	52	$1,388.09	Similar	Smaller	Superior	Superior	Similar	Similar	Similar	Similar	$1,110.47
	7/12	25.0%	0.0%	0.0%	43.4%	79.2%	0.0%	-10.0%	-5.0%	-5.0%	0.0%	0.0%	0.0%	0.0%	-20.0%
4	$484.08	Leased Fee/Mkt.	Arms-Length	None	53	$696.87	Similar	Smaller	Inferior	Inferior	Similar	Inferior	Similar	Similar	$1,045.30
	6/12	0.0%	0.0%	0.0%	44.0%	44.0%	0.0%	-15.0%	25.0%	30.0%	0.0%	10.0%	0.0%	0.0%	50.0%
5	$755.17	Leased Fee/Mkt.	Arms-Length	None	53	$1,087.13	Similar	Smaller	Inferior	Inferior	Similar	Similar	Similar	Similar	$1,087.13
	6/12	0.0%	0.0%	0.0%	44.0%	44.0%	0.0%	-35.0%	15.0%	20.0%	0.0%	0.0%	0.0%	0.0%	0.0%
6	$1,660.65	Leasehold/Mkt.	Arms-Length	None	54	$2,640.55	Superior	Smaller	Superior	Similar	Similar	Similar	Superior	Similar	$1,188.25
	5/12	10.0%	0.0%	0.0%	44.6%	59.0%	-20.0%	-20.0%	-5.0%	0.0%	0.0%	0.0%	-10.0%	0.0%	-55.0%
7	$649.63	Leased Fee/Mkt.	Arms-Length	None	58	$954.13	Similar	Smaller	Inferior	Inferior	Similar	Similar	Similar	Similar	$1,049.54
	1/12	0.0%	0.0%	0.0%	46.9%	46.9%	0.0%	-25.0%	20.0%	15.0%	0.0%	0.0%	0.0%	0.0%	10.0%
8	$765.54	Leased Fee/Mkt.	Arms-Length	None	60	$1,133.33	Similar	Smaller	Similar	Similar	Inferior	Similar	Similar	Similar	$1,133.33
	11/11	0.0%	0.0%	0.0%	48.0%	48.0%	0.0%	-5.0%	0.0%	0.0%	5.0%	0.0%	0.0%	0.0%	0.0%
9	$1,411.05	Leased Fee/Mkt.	Arms-Length	None	61	$2,097.34	Superior	Smaller	Superior	Superior	Similar	Similar	Similar	Similar	$1,048.67
	10/11	0.0%	0.0%	0.0%	48.6%	48.6%	-20.0%	-10.0%	-10.0%	-10.0%	0.0%	0.0%	0.0%	0.0%	-50.0%
10	$599.70	Leased Fee/Mkt.	Arms-Length	None	62	$894.83	Similar	Smaller	Inferior	Inferior	Similar	Similar	Similar	Similar	$1,073.79
	9/11	0.0%	0.0%	0.0%	49.2%	49.2%	0.0%	-15.0%	15.0%	20.0%	0.0%	0.0%	0.0%	0.0%	20.0%
11	$1,573.72	Leased Fee/Mkt.	Arms-Length	None	62	$2,348.18	Superior	Smaller	Similar	Superior	Similar	Similar	Superior	Similar	$1,056.68
	9/11	0.0%	0.0%	0.0%	49.2%	49.2%	-20.0%	-15.0%	0.0%	-10.0%	0.0%	0.0%	-10.0%	0.0%	-55.0%
12	$967.48	Leased Fee/Mkt.	Arms-Length	None	62	$1,443.59	Superior	Smaller	Superior	Superior	Similar	Similar	Similar	Similar	$1,010.52
	9/11	0.0%	0.0%	0.0%	49.2%	49.2%	-15.0%	-5.0%	-5.0%	-5.0%	0.0%	0.0%	0.0%	0.0%	-30.0%

SUMMARY

Price Range	Unadj. $/SF	Adj. $/SF
Low	$484.08	$1,010.52
High	$1,660.65	$1,188.25
Average	$952.25	$1,079.66

Net Adjustment	
Low	-55.0%
High	50.0%
Average	-12.1%

CONCLUSION

Indicated Value per Square Foot NRA	$1,100.00
Net Rentable Area in Square Feet	x 2,113,259
Indicated Value	$2,324,584,900
Rounded	$2,300,000,000
Per square foot	$1,088.37

***Market Conditions Adjustment**

Date of Value (for adjustment calculations): November 1, 2016

Adjustment to	November 1, 2016	10.00%
	November 1, 2015	7.00%
	November 1, 2014	3.00%
	November 1, 2013	0.00%
	November 1, 2012	0.00%

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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 $484.08 to $1,660.65 per square foot. After adjustments the comparable improved sales reflect unit prices ranging from $1,010.52 to $1,188.25 per square foot with an average adjusted price of $1,079.66 per square foot.

The reported and derived overall capitalization rates range from 3.23 to 5.65 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.

"UPON ACHIEVING STABILIZED INCOME" VALUE CONCLUSION

Sales Nos. 1 through 8 are the most recent transactions occurring within the last 12 months, which indicate adjusted unit prices ranging from $1,049.54 to $1,188.25 per square foot using the percentage adjustment method. We have applied the most weight on Sales No. 3 and 8 which have similar physical characteristics and income streams. 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 at the middle to higher end of the range of adjusted sale prices per square foot indicated by the comparables at $1,100.00 per square foot. Based on our analysis of competitive sales, we conclude that the indicated value by the Sales Comparison Approach on November 1, 2016, the prospective date of value, will be:

PERCENT ADJUSTMENT METHOD SUMMARY	
PROSPECTIVE MARKET VALUE:	
Net Rentable Area:	2,113,259
Concluded Price Per Square Foot:	x $1,100.00
Indicated Value:	$2,324,584,900
Rounded:	$2,300,000,000
Per Square Foot:	$1,088.37

Opinion of Value Indicated by the Sales Comparison Approach

"Prospective Market Value" As of November 1, 2016

$2,300,000,000

MARKET VALUE "AS IS" CONCLUSION

The subject property income stream is not stabilized, since the property is undergoing renovations and appoximately 430,000 of tenant leases expire through 2014; therefore, 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 Yield Capitalization models "As Is" and "Prospective Value Upon Stabilization" as presented in the Income Capitalization Approach section of the report. The "As Is" discounted cash flow reflected a value of $2,000,000,000 and the "Prospective Value Upon Stabilization" discounted cash flow reflected a value of $2,300,000,000. The difference between the two values is $300,000,000, 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	$2,300,000,000
Less: Market Value As Is (Cash Flow)	$2,000,000,000
Indicated Lease-Up Adjustment	$300,000,000

Deducting the indicated lease-up adjustment from the Prospective Value Upon Stabilization results in the following As Is value estimate as of November 1, 2012, will be:

SALES COMPARISON APPROACH CONCLUSION	
NET SF	**INDICATED VALUE**
Indicated Value Per Square Foot (NRA):	$1100.00
Net Rentable Area (SF):	X 2,113,259
Indicated Value:	$2,324,584,900
Less: Lease Up Adjustment:	($300,000,000)
Adjusted Value:	$2,024,584,900
Rounded:	$2,000,000,000
Per Sq Ft:	$946.41

Opinion of Value Indicated by the Sales Comparison Approach

"As Is" Market Value as of November 1, 2012

$2,000,000,000

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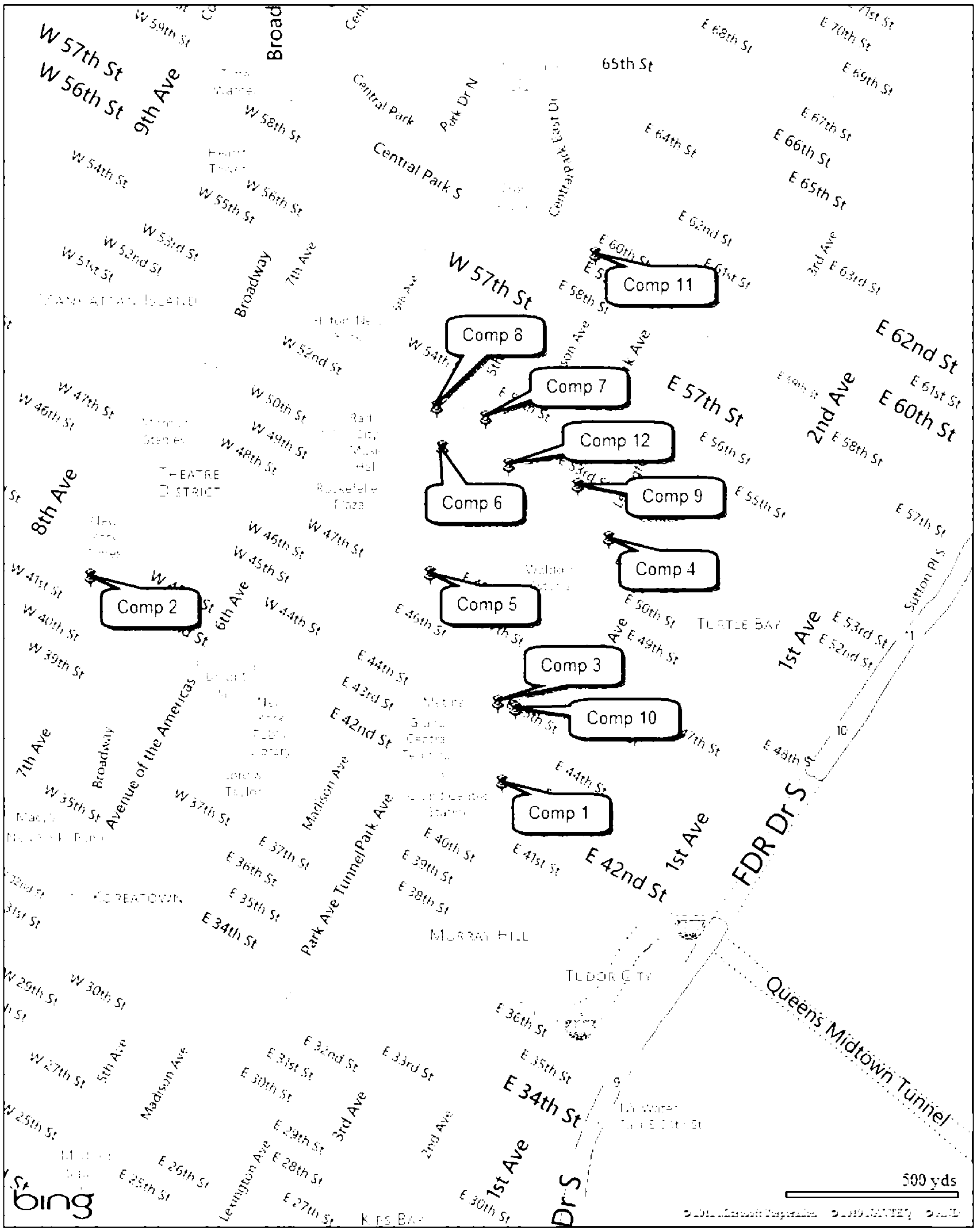
SALE COMPARISON MAP



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 and direct capitalization are 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 strong leasing demands, 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 2,103,288 square feet, while the future remeasured net rentable area is 2,113,259 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, 1290 Avenue of the Americas, is currently 96.19 percent leased to 18 office tenants and 11 retail tenants. There are two vacant office spaces within the property on the 5th and 9th floors totaling 47,774± square feet. In addition, there is one vacant retail space within the property totaling 3,509± square feet. There are 17 vacant storage spaces on the basement and sub-basement level totaling 29,135± square feet available for lease. The building's ongoing remeasurement will result in a total of 2,113,259± rentable square feet which occurs throughout the analysis holding period.

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	1,952,450	1,904,676	97.55%	47,774	2.45%	$69.26
Retail Space	56,208	52,699	93.76%	3,509	6.24%	$141.66
Storage Space	101,727	72,592	71.36%	29,135	28.64%	$28.83
Management Office	2,874	2,874	100.00%	-	0.00%	-
Total	**2,113,259**	**2,032,841**	**96.19%**	**80,418**	**3.81%**	

*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 and Other Tenants						
1	S-Bsmt	Agudath Israel of America	1,091	853	Jan-04	Dec-12
2	S-Bsmt	IFS Services	445	388	Mar-12	Sep-14
3	S-Bsmt	One BCJ Corp	1,439	1,225	Apr-02	Nov-17
4	S-Bsmt	Earl Of Sandwich	519	494	May-11	Aug-21
5	S-Bsmt	Gleacher & Co.	803	803	Apr-10	Apr-25
6	S-Bsmt	AXA Equitable	3,656	3,041	Mar-09	Dec-23
7	S-Bsmt	To-Be-Leased	497	497	Feb-13	Jan-23
8	S-Bsmt	To-Be-Leased	497	497	Feb-13	Jan-23
9	S-Bsmt	To-Be-Leased	826	826	Feb-13	Jan-23
10	S-Bsmt	To-Be-Leased	1,509	1,509	Feb-13	Jan-23
11	S-Bsmt	To-Be-Leased	2,543	2,543	Feb-13	Jan-23
12	S-Bsmt	To-Be-Leased	3,832	3,832	Feb-13	Jan-23
13	S-Bsmt	To-Be-Leased	3,888	3,888	Feb-13	Jan-23
14	S-Bsmt	To-Be-Leased	790	790	Feb-13	Jan-23
15	S-Bsmt	Bryan Cave	2,000	1,844	Apr-89	Mar-19
16	S-Bsmt	Bread Market	720	704	Dec-96	Dec-18
17	Bsmt	Level 3 Communications	56	56	Apr-09	Mar-14
18	Bsmt	Teresa's Gourmet Coffee	383	292	Feb-03	Jun-20
19	Bsmt	Duane Reade	6,332	6,327	Aug-09	May-20
20	Bsmt	JPMorgan Chase	7,619	7,206	Mar-12	Apr-18
21	Bsmt	Cushman & Wakefield	10,005	8,193	Nov-09	Jan-25
22	Bsmt	ABN Amro N America	6,746	5,491	Nov-94	Oct-14
23	Bsmt	Morrison & Foerster	879	747	Jan-90	May-14
24	Bsmt	AXA Equitable	25,794	21,454	Mar-09	Dec-23
25	Bsmt	To-Be-Leased	1,214	1,214	Feb-13	Jan-23
26	Bsmt	To-Be-Leased	971	971	Feb-13	Jan-23
27	Bsmt	To-Be-Leased	3,968	3,968	May-13	Apr-23
28	Bsmt	To-Be-Leased	3,569	3,569	May-13	Apr-23
29	Bsmt	To-Be-Leased	938	938	May-13	Apr-23
30	Bsmt	To-Be-Leased	216	216	May-13	Apr-23
31	Bsmt	To-Be-Leased	984	984	May-13	Apr-23
32	Bsmt	To-Be-Leased	1,809	1,809	May-13	Apr-23
33	Bsmt	Warner Music	2,097	2,097	Nov-96	Jun-17
34	Bsmt	Columbia University	1,189	1,186	May-12	Jan-37
35	Bsmt	To-Be-Leased	1,084	1,084	May-13	Apr-23
36	802	Morrison & Foerster > Vacate	10,191	10,191	Oct-12	May-14
37	Roof	DHL Airways	1	1	Aug-00	Dec-12
38	Roof	Allied Riser Operations	1	1	Jan-01	Dec-12
39	Roof	UPS (Dropbox)	1	1	Dec-03	Dec-12
40	Roof	Cablevision Lightpath	1	1	Jan-10	Jan-15
41	Roof	Metropolitan Fiber System	1	1	Dec-10	Nov-15
42	Roof	TW Telecom of NY	1	1	Mar-10	Feb-15
Retail Tenants						
43	Grade	47Th St United Empire	2,191	2,100	Aug-95	Jul-15
44	Grade	Teresa's Gourmet Coffee	2,201	2,101	Nov-94	Jun-20
45	Grade	Bread Market	1,712	1,675	Dec-96	Dec-18
46	Grade	Duane Reade	4,126	3,833	May-90	May-20
47	Grade	Duane Reade	3,503	3,503	Aug-09	May-20
48	Grade	Duane Reade	2,494	2,494	Sep-09	May-20
49	Grade	One BCJ Corp	2,900	2,469	Apr-02	Nov-17
50	Grade	Earl of Sandwich	1,278	1,278	May-11	Aug-21
51	Grade	JPMorgan Chase	22,148	20,946	Mar-12	Apr-18
52	Grade	Starbucks Corp	1,500	1,460	Mar-12	Jul-22
53	Grade	Columbia University	3,659	3,769	May-12	Jan-37
54	Grade	Sovereign Bank	3,504	3,516	Nov-08	May-24
55	Grade	TD Bank	3,555	3,555	Nov-12	Oct-27
56	Grade	To-Be-Leased	3,509	3,509	May-13	Apr-23

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RENT ROLL REPORT

	SUITE	TENANT	AREA / SF	REMEASURED AREA / SF	BEGIN DATE	END DATE
Major Office Tenants						
57	201	Wenner Media LLC	96,615	98,843	Jul-90	Oct-16
58	202	Columbia University	8,094	8,094	May-12	Jan-37
59	300	Columbia University	109,724	109,724	Nov-11	Jan-37
60	401	Gleacher & Co. > Renewal	42,303	42,309	Apr-10	Apr-25
61	402	Microsoft	56,106	57,729	Aug-06	Feb-14
62	403	Gleacher & Co.	9,513	9,525	Sep-10	Apr-25
63	501	Gleacher & Co.	31,636	31,634	Jan-11	Apr-25
64	502	To-Be-Leased	27,698	27,698	Aug-13	Jul-23
65	503	Protiviti Inc & Robert	33,260	32,791	Jul-05	Feb-16
66	504	Microsoft	17,331	17,832	Aug-06	Feb-14
67	600	Microsoft	100,380	105,951	Mar-03	Feb-14
68	700	Cushman & Wakefield	100,375	100,370	Jun-09	Jan-25
69	801	Cushman & Wakefield	45,188	45,151	Jun-09	Jan-25
70	901	Cushman & Wakefield	10,719	10,716	Jun-09	Jan-25
71	904	Abbott Capital Management	34,709	34,711	Jul-11	Apr-22
72	1000	ABN Amro N America	80,880	85,377	Nov-94	Oct-14
73	1100	AXA Equitable	86,877	86,878	Jan-08	Dec-23
74	1200	AXA Equitable	78,885	78,885	Jan-08	Dec-23
75	1300	AXA Equitable	69,536	69,536	Jan-08	Dec-23
76	1400	AXA Equitable	52,811	52,811	Jan-08	Dec-23
77	1500	AXA Equitable	53,136	53,136	Jan-08	Dec-23
78	1600	AXA Equitable	52,479	52,479	Jan-08	Dec-23
79	1700	Fitzpatrick Cella Harper	25,457	25,511	Mar-09	Nov-24
80	1800	Fitzpatrick Cella Harper	26,702	26,758	Mar-09	Nov-24
81	1900	Fitzpatrick Cella Harper	26,708	26,764	Mar-09	Nov-24
82	2000	Fitzpatrick Cella Harper	25,228	25,281	Mar-09	Nov-24
83	2101	Fitzpatrick Cella Harper	14,629	14,489	Mar-09	Nov-24
84	2102	Fitzpatrick Cella Harper	11,700	11,896	Mar-09	Nov-24
85	2200	Wall Street Systems > Vacate	26,599	26,599	Dec-11	Dec-12
86	2300	Warner Music	26,599	26,599	Feb-96	Jun-17
87	2400	Warner Music	26,594	26,594	Feb-96	Jun-17
88	2500	Warner Music	12,700	12,700	Feb-96	Jun-17
89	2600	Warner Music	26,599	26,599	Feb-96	Jun-17
90	2700	Warner Music	26,599	26,599	Feb-96	Jun-17
91	2800	Warner Music	26,599	26,599	Feb-96	Jun-17
92	2900	Warner Music	26,708	26,708	Feb-96	Jun-17
93	3000	Bryan Cave	24,893	26,070	Apr-89	Mar-19
94	3100	Bryan Cave	24,861	26,037	Apr-89	Mar-19
95	3200	Bryan Cave	26,572	27,829	Apr-89	Mar-19
96	3300	Bryan Cave	26,359	27,605	Apr-89	Mar-19
97	3404	Bryan Cave	1,836	1,836	Dec-12	Mar-19
98	3500	Bryan Cave	26,501	27,754	Apr-89	Mar-19
99	3600	Bryan Cave	27,558	27,558	Dec-12	Mar-19
100	3700	Bryan Cave	27,554	27,554	Dec-12	Mar-19
101	3800	Morrison & Foerster > Vacate	27,554	27,554	Oct-02	May-14
102	3900	Morrison & Foerster > Vacate	27,554	27,554	Oct-02	May-14
103	4000	Morrison & Foerster > Vacate	27,554	27,554	Oct-02	May-14
104	4100	Morrison & Foerster > Vacate	27,554	27,554	Oct-02	May-14
105	4200	Morrison & Foerster > Vacate	27,522	27,522	Oct-02	May-14
106	4300	Morrison & Foerster > Vacate	18,196	18,196	Oct-02	May-14
Minor Office Tenants						
107	902	Management Office	2,874	2,874	Nov-09	Dec-49
108	903	Kintetsu International	16,367	16,509	Mar-10	Jan-25
109	905	To-Be-Leased	20,076	20,076	Nov-12	Oct-23
110	3401	French Broadcasting Co. > Bryan Cave (Must	4,397	4,722	May-83	Mar-19
111	3402	Frontpoint Management > Bryan Cave (Must T	17,940	18,503	Jul-05	Mar-19
112	3403	Axiom Investment Advisors > Bryan Cave (Mu:	2,511	2,587	Jan-07	Mar-19
	Total		**2,103,288**	**2,113,259**		

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LEASE STRUCTURE OF THE SUBJECT PROPERTY

The property is leased to 14 major office tenants (defined as tenants larger than 25,000 square feet). The large tenants include AXA Equitable (393,724 square feet) on the 11th through 16th floors; Bryan Cave (186,134 square feet) on the 30th through 37th floors; Microsoft (173,817 square feet) on the 4th through 6th floors; Warner Music (172,398 square feet) on the 23rd through 29th floors; Morrison & Foerster (155,934 square feet) on the 38th through 43rd floors; Cushman & Wakefield (156,282 square feet) on the 7th through 9th floors; Fitzpatrick Cella Harper (130,424 square feet) on the 17th through 21st floors; Columbia University (117,818 square feet) on the 2nd and 3rd floors; Wenner Media LLC (96,615 square feet) on the 2nd floor; Gleacher & Co. (83,452 square feet) on the 4th and 5th floors; ABN Amro N America (80,880 square feet) on the 10th floor; Abbott Capital Management (34,709 square feet) on the 9th floor; Protiviti Inc & Robert (33,260 square feet) on the 5th floor; and Wall Street Systems (26,599 square feet) on the 22nd floor.

The 14 major office tenants previously mentioned represent over 87 percent of the property's total rentable area. Each of these firms is considered major 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 tenants in the property.

There are four office tenants that lease smaller units of space in the balance of the building. These tenants, Frontpoint Management (17,940± square feet) on the 34th floor; Kintetsu International (16,367± square feet) on the 9th floor; French Broadcasting Co. (4,397± square feet) on the 34th floor; and, Axiom Investment Advisors > (2,511± square feet) on the 17th floor have been classified for purposes of our analysis as small office tenant spaces. The small office tenants total 23,075± square feet represent approximately 3 percent of the property's rentable area. The credit quality of the small office tenants is considered to be fair to average within the context of their mostly unrated status. The tenants are classified as minor tenants for the purpose of calculating future concession packages on rollover (free rent and tenant work letter) which are less generous than major tenant's concession packages.

In addition to office space, the property is leased to 11 retail tenants located along three street frontages. There are two retail spaces along Avenue of the Americas; the retail space on the corner of West 51st Street and Avenue of the Americas is leased to Sovereign Bank (3,504 square feet). There is a pending lease for retail space on the corner of West 52nd Street and Avenue of the Americas with TD Bank (3,555± square feet).

The retail space along West 51st Street is leased to three tenants; Duane Reade (10,123 square feet); Teresa's Gourmet Coffee (2,201 square feet); and Columbia University (3,659 square feet). The retail space occupied by Columbia will be used as a separate entrance and greeting area for the office space on the 2nd and 3rd floors.

The retail space along West 52nd Street is leased to five tenants; One BCJ Corp (2,900 square feet); 47th St United Empire (2,191 square feet); Bread Market (1,712 square feet); Starbucks Corp (1,500 square feet); and Earl of Sandwich (1,278± square feet).

In addition, there is one large side street throughblock retail space that is leased to JPMorgan Chase (22,148 square feet); the retail space in the property totals 58,280± prior to remeasurement and 56,208 square feet remeasurement.

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
AXA Equitable	393,724	393,725	18.72%	$33,860,264	24.08%	$86.00	Dec-23
Bryan Cave	186,134	192,243	8.85%	$12,604,358	8.96%	$67.72	Mar-19
Microsoft	173,817	181,512	8.26%	$8,665,755	6.16%	$49.86	Feb-14
Warner Music	172,398	172,398	8.20%	$11,329,997	8.06%	$65.72	Jun-17
Morrison & Foerster > Vacate	155,934	155,934	7.41%	$11,718,323	8.33%	$75.15	May-14
Cushman & Wakefield	156,282	156,237	7.43%	$12,502,560	8.89%	$80.00	Jan-25
Fitzpatrick Cella Harper	130,424	130,699	6.20%	$10,199,920	7.25%	$78.21	Nov-24
Columbia University	117,818	117,818	5.60%	$6,715,626	4.78%	$57.00	Jan-37
Wenner Media LLC	96,615	98,843	4.59%	$5,072,288	3.61%	$52.50	Oct-16
Gleacher & Co. > Renewal	83,452	83,468	3.97%	$4,878,717	3.47%	$58.46	Apr-25
ABN Amro N America	80,880	85,377	3.85%	$5,418,960	3.85%	$67.00	Oct-14
Abbott Capital Management	34,709	34,711	1.65%	$1,874,286	1.33%	$54.00	Apr-22
Protiviti Inc & Robert	33,260	32,791	1.58%	$1,588,165	1.13%	$47.75	Feb-16
Wall Street Systems > Vacate	26,599	26,599	1.26%	$1,861,930	1.32%	$70.00	Dec-12
Total Major Office Tenants	**1,842,046**	**1,862,355**	**87.58%**	**$128,291,148**	**91.25%**	**$69.65**	
Frontpoint Management > Bryan Cave (Must Take)	17,940	18,503	0.85%	$968,760	0.69%	$54.00	Mar-19
Kintetsu International	16,367	16,509	0.78%	$736,515	0.52%	$45.00	Jan-25
French Broadcasting Co > Bryan Cave (Must Take)	4,397	4,722	0.21%	$233,041	0.17%	$53.00	Mar-19
Axiom Investment Advisors > Bryan Cave (Must Take)	2,511	2,587	0.12%	$205,902	0.15%	$82.00	Mar-19
Total Minor Office Tenants	**41,215**	**42,321**	**1.96%**	**$2,144,218**	**1.53%**	**$52.03**	
JPMorgan Chase	22,148	20,946	1.05%	$1,328,216	0.94%	$59.97	Apr-18
Duane Reade	10,123	9,830	0.48%	$1,302,385	0.93%	$128.66	May-20
Columbia University	3,659	3,769	0.17%	$365,900	0.26%	$100.00	Jan-37
TD Bank	3,555	3,555	0.17%	$1,777,500	1.26%	$500.00	Oct-27
Sovereign Bank	3,504	3,516	0.17%	$1,576,800	1.12%	$450.00	May-24
One BCJ Corp	2,900	2,469	0.14%	$271,179	0.19%	$93.51	Nov-17
Teresa's Gourmet Coffee	2,201	2,101	0.10%	$330,634	0.24%	$150.22	Jun-20
47Th St United Empire	2,191	2,100	0.10%	$298,261	0.21%	$136.13	Jul-15
Bread Market	1,712	1,675	0.08%	$197,993	0.14%	$115.65	Dec-18
Starbucks Corp	1,500	1,460	0.07%	$150,000	0.11%	$100.00	Jul-22
Earl of Sandwich	1,278	1,278	0.06%	$159,750	0.11%	$125.00	Aug-21
Total Retail Tenants	**54,771**	**52,699**	**2.60%**	**$7,758,617**	**5.52%**	**$141.66**	
AXA Equitable	29,450	24,495	1.40%	$1,030,750	0.73%	$35.00	Dec-23
Morrison & Foerster > Vacate	10,191	10,191	0.48%	$361,679	0.26%	$35.49	May-14
Cushman & Wakefield	10,005	8,193	0.48%	$350,175	0.25%	$35.00	Jan-25
JPMorgan Chase	7,619	7,206	0.36%	$0	0.00%	$0.00	Apr-18
ABN Amro N America	6,746	5,491	0.32%	$211,555	0.15%	$31.36	Oct-14
Duane Reade	6,332	6,327	0.30%	$0	0.00%	$0.00	May-20
Warner Music	2,097	2,097	0.10%	$50,328	0.04%	$24.00	Jun-17
Bryan Cave	2,000	1,844	0.10%	$60,000	0.04%	$30.00	Mar-19
One BCJ Corp	1,439	1,225	0.07%	$134,561	0.10%	$93.51	Nov-17
Columbia University	1,189	1,186	0.06%	$29,654	0.02%	$24.94	Jan-37
Agudath Israel of America	1,091	853	0.05%	$120	0.00%	$0.11	Dec-12
Morrison & Foerster	879	747	0.04%	$24,612	0.02%	$28.00	May-14
Gleacher & Co.	803	803	0.04%	$20,075	0.01%	$25.00	Apr-25
Bread Market	720	704	0.03%	$83,268	0.06%	$115.65	Dec-18
Earl Of Sandwich	519	494	0.02%	$0	0.00%	$0.00	Aug-21
IFS Services	445	388	0.02%	$0	0.00%	$0.00	Sep-14
Teresa's Gourmet Coffee	383	292	0.02%	$0	0.00%	$0.00	Jun-20
Level 3 Communications	56	56	0.00%	$6,000	0.00%	$107.14	Mar-14
Total Storage Tenants	**81,964**	**72,592**	**3.90%**	**$2,362,776**	**1.68%**	**$28.83**	
DHL Airways	-	-	0.00%	$2,500	0.00%	$2,500	Dec-12
Allied Riser Operations	-	-	0.00%	$4,800	0.00%	$4,800	Dec-12
UPS (Dropbox)	-	-	0.00%	$2,500	0.00%	$2,500	Dec-12
Cablevision Lightpath	-	-	0.00%	$12,000	0.01%	$12,000	Jan-15
Metropolitan Fiber System	-	-	0.00%	$10,207	0.01%	$10,207	Nov-15
TW Telecom of NY	-	-	0.00%	$9,641	0.01%	$9,641	Feb-15
Total Other Tenants	**0**	**0**	**0.00%**	**$41,648**	**0.03%**	**-**	
Total Vacant Office	**47,774**	**47,774**	**2.27%**				
Total Vacant Retail	**3,509**	**3,509**	**0.17%**				
Total Vacant Storage	**29,135**	**29,135**	**1.39%**				
Total Management Space	**2,874**	**2,874**	**0.14%**				
Total Net Rentable Area	**2,103,288**	**2,113,259**	**96.10%**	**$140,598,407**	**100.00%**	**$66.85**	

CUSHMAN & WAKEFIELD VALUATION & ADVISORY

In our opinion, the tenants are considered to be good to very good credit quality. Four of the tenants in the building have rated credit. The other tenants exhibit strong operating histories. Bryan Cave, Morrison & Foerster, and Fitzpatrick Cella Harper are not rated by Moody's Investor Services, Standard & Poor's or Fitch, but they exhibit a strong financial performance and are considered credit quality tenants.

Over 48 percent of the property's rentable area has rated credit or is considered credit quality. The credit tenants have a positive effect on the value of the property, particularly as reflected in our selection of the discount rate (IRR) which we believe should be lower than would be applied to a Manhattan office building with a more "typical" leasing profile.

CREDIT TENANT SUMMARY

Tenant Name	Size	Rating Agency		
		Moody's	Fitch	Standard & Poors
Investment Grade Tenant				
AXA Equitable	423,174	Aa3	AA-	AA-
Microsoft Corporation	173,817	Aaa	AA+	AAA
Warner Music	172,398	B1	B+	B+
Columbia University	121,477	Aaa	Not Rated	Not Rated
ABN Amro North America	80,880	Not Rated	Not Rated	Not Rated
JPMorgan Chase	29,767	A2	A+	A
Duane Reade	16,455	Baa1	Not Rated	BBB
TD Bank	3,555	Aaa	AA-	AA-
Sovereign Bank	3,504	Baa1	BBB	BBB
Starbucks Corp.	1,500	Baa3	Not Rated	A-

ANALYSIS	
Number of Investment Grade Credit Tenants	10
Total Credit Tenant NRA	1,026,527
% of Total Space	48.58%

Compiled by Cushman & Wakefield, Inc.

TENANT PROFILES

AXA EQUITABLE

AXA Equitable Life Insurance Company is a financial protection company and a premier provider of life insurance, annuities and related financial services. Headquartered in New York, the company has been helping individuals and business develop financial strategies since 1859. The company's products and services are distributed to its customers through two channels; AXA Advisors, LLC for individuals and business owners and AXA Distributors, LLC for the financial services market.

AXA Equitable is a subsidiary of the AXA Group, a French holding company for an international group of insurance and financial services companies. AXA Group is one of the world's largest insurance and wealth management organizations. The company was ranked as the 9th largest company in the world, based on revenue, on the 2010 Fortune Global 500 list.

The company, formerly known as The Equitable Life Assurance of the United States (The Equitable), was founded by Henry Baldwin Hyde. In 1991, AXA acquired majority control of The Equitable before the company officially changed its name to AXA Equitable in 2004. As of June 30, 2011, AXA Equitable's assets under management totaled $546.5 billion.

CREDIT RATINGS

AXA Equitable is currently rated investment grade by Moody's, Fitch and Standard & Poor's:

CREDIT RATINGS				
Agency	Issuer Rating	Senior Unsecured Rating	Last Rating Date	Outlook
Moody's	Aa3	Aa3	Sep-12	Negative
Fitch	A+	A+	Sep-12	Negative
S&P	AA-	AA-	Jan-12	Negative

Source: Moody's, Fitch, S&P

Annual Filing Data

AXA Equitable's total revenue in fiscal 2011 increased by 3.4 percent over the prior year to $14.6 billion. The company's net income for the year was $967.1 million, a 289.5 percent increase from fiscal 2010. The firm's revenues have steadily increased over previous years but net income has fluctuated drastically. The firm's net income was $1.8 billion in 2009 before suffering a net loss of $510.4 million in 2010.

The following is a profile of AXA Equitable's annual financial performance:

AXA EQUITABLE FINANCIAL OVERVIEW	FY 2011	FY 2010	FY 2009
Revenue (in millions)	$14,565.2	$14,082.8	$13,882.7
Change in Revenue	3.4%	1.4%	-
Net Income (in millions)	$967.1	-$510.4	$1,782.9
Change in Net Income	289.5%	-128.6%	-

Source: Company filings

Bryan Cave LLP

Bryan Cave LLP is an international law firm based out of St. Louis, Missouri with 24 offices worldwide. The firm represents a wide variety of business, financial, institutional and individual clients. Bryan Cave's lawyers work in client service groups that are specific to an area of law or directed toward a certain industry. The firm's strengths are its litigation group, which has handled some high-profiled clients that include mortgage broker Stifel Nicolaus & Co. and Countrywide Bank. Bryan Cave employs more than 1,100 lawyers and consulting professionals.

The firm's consulting subsidiary, Bryan Cave International Consulting LLC (BCIC), is based in Asia. The subsidiary consists of non-lawyer professionals and the subsidiary is affiliated with Bryan Cave LLP and operates as an extension of Bryan Cave's International Trade Group. The International Trade Group offers legal advice on a full range of subjects for corporate clients that are involved in international business.

In early 2012, Bryan Cave merged with Holme Roberts & Owen (HRO), an international law firm in Denver, Colorado with over 210 lawyers. HRO was named the best corporate/merger and acquisitions and environmental law firm in Denver by Corporate Board Member magazine for three years. However, HRO suffered significant staff losses and departure in 2011 so the acquisition by Bryan Cave seemed logical. After the merger, Bryan Cave became one of the 25 largest law firms in the world. The firm also established an office in Frankfurt, Germany in 2010, which is to be integrated with the firm's Hamburg office.

Bryan Cave LLP is not rated by Moody's, Fitch or Standard & Poor's.

Microsoft Corporation

Microsoft Corporation is a multinational corporation that develops, manufactures, licenses and supports a wide range of products and services related to computers. The company is headquartered in Redmond, Washington and its most profitable products are Microsoft Windows and Microsoft Office. Microsoft is ranked as the world's largest software maker in terms of revenues.

Microsoft was founded by Bill Gates and Paul Allen in 1975. The company started out developing and selling BASIC interpreters for the Altair 8000 but rose to dominate the personal computer market by the 1980s. Microsoft had its initial public offering in 1986 and the company's shares have created an estimated three billionaires and 12,000 millionaires from its own employees.

Since the 1990s, Microsoft has been diversifying from the operating system and made many acquisitions including Skype Technologies for $8.5 billion in May 2011. Microsoft also produces other software for desktops and servers and is active in areas, including the video game industry (Xbox and Xbox 360), the digital services market (MSN), internet search (Bing), and mobile phones (Windows Phone OS). In June 2012, the company announced it would enter the PC vendor market by launching the Microsoft Surface tablet computer. The following month, July 2012, Microsoft finished its acquisition of the enterprise social network, Yammer, for $1.2 billion.

Credit Ratings

Microsoft was rated investment grade by Moody's, Fitch and Standard & Poor's:

CREDIT RATINGS				
Agency	Issuer Rating	Senior Unsecured Rating	Last Rating Date	Outlook
Moody's	Aaa	Aaa	Sep-12	Stable
Fitch	AA+	AA+	Dec-11	Stable
S&P	AAA	AAA	Sep-08	Stable

Source: Moody's, Fitch, S&P

Annual Filing Data

Microsoft Corporation's total revenue in 2012 (ended June 30, 2012) increased by 5.4 percent over the prior year to $73.7 billion. The firm's net income for the year was $17.0 billion. This was a decrease of 26.7 percent from 2011's net income of $23.2 billion.

The following is a profile of Microsoft's annual financial performance:

MICROSOFT CORPORATION FINANCIAL OVERVIEW					
	FY 2012	FY 2011	FY 2010	FY 2009	FY 2008
Revenue (in millions)	$73,723	$69,943	$62,484	$58,437	$60,420
Change in Revenue	5.4%	11.9%	6.9%	-3.3%	-
Net Income (in millions)	$16,978	$23,150	$18,760	$14,569	$17,681
Change in Net Income	-26.7%	23.4%	28.8%	-17.6%	-

Source: Company filings

Warner Music Group

Warner Music Group (WMG) is a major global music and entertainment company headquartered in New York City. Currently, the company is the world's third largest recorded music business and third largest music publishing business. Warner Music Group is home to a collection of the best known record labels that include Asylum, Atlantic, Cordless, East West, Elektra, Nonesuch, Reprise, Rhino, Roadrunner, Rykodisc, Sire, Warner Bros., Word and Warner/Chappell Music.

In addition to its U.S. operations, WMG operates through a variety of affiliates and licensees in over 50 countries. WMG's recorded music business includes artist management, merchandising, touring, fan clubs, VIP ticketing, sponsorships, brand endorsements and third-party solutions that help organize the sale of music-based content to consumers. The recorded music business also works with artists that are not signed to WMG labels.

WMG's music publishing business, Warner/Chappell Music, is one of the world's leading publishers, with a catalog of more than 1.0 million songs from over 65,000 songwriters. In May 2011, WMG announced the sale of its company to Access Industries for $3.5 billion cash. After the sale was completed in July 2011, the company became private and was taken off the New York Stock Exchange but still operates under the name of WMG.

Credit Ratings

Warner Music Group was rated below investment grade by Moody's, Fitch and Standard & Poor's. However, these ratings were around the time that Warner Music Group was sold to Access Industries, who is currently not rated.

The following is a profile of Warner Music Group's credit ratings:

CREDIT RATINGS				
Agency	Issuer Rating	Senior Unsecured Rating	Last Rating Date	Outlook
Moody's	B1	B1	Jul-11	Negative
Fitch	B+	B+	May-11	Negative
S&P	B+	B+	Dec-10	Negative

Source: Moody's, Fitch, S&P

Annual Filing Data

Warner Music Group's total revenue in 2011 (ended September 30, 2011) decreased by 4.0 percent over the prior year to $2.9 billion. The firm's net income for the year was negative $205.0 million. $53.0 million of the net loss in 2011 was attributable to transaction costs in connection with the merger. Since 2007, net losses also included severance charges of $50 million (2007), $23 million (2009), $54 million (2010) and $38 million (2011) that resulted from actions to help realign the company's cost structure. For the year 2007, net loss was also attributable to a $64 million benefit agreement that WMG entered into with Bertelsmann AG related to a settlement of contingent claims.

The following is a profile of Warner Music Group's annual financial performance:

WARNER MUSIC GROUP FINANCIAL OVERVIEW					
	FY 2011	FY 2010	FY 2009	FY 2008	FY 2007
Revenue (in millions)	$2,869	$2,988	$3,205	$3,506	$3,383
Change in Revenue	-4.0%	-6.8%	-8.6%	3.6%	-
Net Income (in millions)	-$205	-$143	-$100	-$56	-$21
Change in Net Income	-43.4%	-43.0%	-78.6%	-166.7%	-

Source: Company filings

MORRISON & FOERSTER LLP

Morrison & Foerster LLP (MoFo) is an international full-service law firm headquartered in San Francisco, California. Founded in 1983 by Alexander Morrison, a graduate from UC Hastings College of Law, the firm employs more than 1,000 lawyers in 15 offices. MoFo is the largest U.S. law firm in Japan, with over 120 lawyers in Tokyo and an additional 80 employees located in China.

The majority of the firm's workload comes from its technology-focused clients, ranging from Internet start-ups to established life science companies. MoFo was one of the first firms to establish a presence in the Silicon Valley by opening up an office in Palo Alto in 1985. The firm also established offices in other major technology centers, including San Diego and Northern Virginia. Other core areas of practice include financial services, corporate, capital markets and real estate.

Morrison & Foerster was ranked among the top firms in the American Lawyer's "A-List" rankings of U.S. law firms for the eighth year in a row. The ranking accounts for associate satisfaction, lawyer diversity, pro bono work and financial performance. MoFo also boasts a top rated litigation group and has earned honorable mentions in American Lawyer's Litigation Department of the Year competitions in 2010, 2008 and 2004 (contest is held every two years).

MoFo also has one of the oldest law firm-affiliated charitable foundations in the United States. The Morrison & Foerster Foundation was founded in 1986 and is funded chiefly by its partners. In 2011, the firm made charitable contributions of about $3.4 million, primarily to local nonprofit organizations.

Morrison & Foerster is currently not rated by Moody's, Fitch or Standard & Poor's.

Annual Filing Data

Morrison & Foerster's total revenue in fiscal 2011 increased by 3.5 percent over the prior year to $963.5 million. The firm's revenue was ranked 20th in revenue compared to other American law firms for 2011.

The following is a profile of Morrison & Foerster's annual financial performance:

MORRISON & FOERSTER FINANCIAL OVERVIEW		
	FY 2011	FY 2010
Revenue (in millions)	$963.5	$930.9
Change in Revenue	3.5%	-

Source: American Lawyer

Gleacher & Company, Inc.

Gleacher & Company provides advisory services, capital raising, research, and securities and brokerage services to institutional clients in the US and Europe. The investment bank's MBS/ABS & Rates arm sells and trades asset and mortgage-backed securities. Gleacher's Corporate Credit division offers sales and trading on a range of debt securities. Another subsidiary, FA Technology Ventures, provides growth capital to technology firms. Gleacher & Company has offices in New York, Illinois, California, and New Jersey.

The company is focused on diversifying its product mix as a way to bring in other streams of revenue. A large portion of Gleacher & Company's revenues come from its sales and trading business (MBS/ABS & Rates and Corporate Credit). Those units suffered as markets declined during the recession. Net revenue for the company was down by more than 20% in 2010 alone.

Gleacher & Company launched a residential mortgage banking business in 2011 after it acquired ClearPoint Funding, a residential mortgage lender based in Massachusetts. The deal extended Gleacher's mortgage platform and diversified its business.

The company exited its underperforming equities division in 2011 and realigned its investment banking division. The strategic shift underscores the firm's commitment to its core fixed income operations and its investment banking, mortgage origination, and other stronger or promising operations. The company will also continue seeking new lines of business.

Gleacher & Company is reorganizing its business to better serve key industries such as real estate, financial services, aerospace and defense, and manufacturing.

Gleacher & Company was formed in 2009 after Broadpoint Securities acquired Gleacher Partners, a firm best known for its M&A advisory practice. The company officially changed its name to Gleacher & Company the following year.

Gleacher & Company is a New York-based investment bank that provides advice to corporate and institutional clients. In addition to investment banking, the company also offers research, sales, and trading services. Formed in 2009 after Broadpoint Securities acquired Gleacher Partners, the firm has offices in New York City, San Francisco, Stamford, Chicago, and Roseland, employing 453 people.

CREDIT RATINGS

Gleacher and Company is not currently rated by any of the major credit agencies.

ANNUAL FILING DATA

As a publicly held company trading under the ticker GLCH, Gleacher & Company files annual financial reports. The firm is still waiting to post positive net income since combining with Broadpoint Securities. This has resulted in some activist investors to call for restructuring. In August 2012, it was reported that the company would explore strategic alternatives and hired Credit Suisse to advise the process. Financial performance for the company since its 2009 merger is shown in the table below:

GLEACHER & COMPANY FINANCIAL OVERVIEW		
	FY 2011	FY 2010
Revenue (in millions)	$273	$260
Change in Revenue	5.0%	-21.5%
Net Income (in millions)	-$82	-$21

Source: Company filings

CUSHMAN & WAKEFIELD, INC.

Cushman & Wakefield is a leading firm that serves the real estate needs of corporations and financial institutions around the globe. It specializes in office, industrial, and retail real estate. In addition to property management and brokerage services, the company also provides real estate investment banking, valuation and advisory services, and research and analysis on markets, portfolio optimization, supply chain management, and owner and investor services.

Founded in 1917, Cushman & Wakefield has more than 13,000 employees in 231 offices, spanning 58 countries around the globe. It is currently the world's largest privately held real estate services firm. The firm is owned by Exor, which is controlled by the Italian Agnelli family.

CREDIT RATINGS

Cushman & Wakefield is not rated by any of the major credit agencies.

ANNUAL FILING DATA

As a private company, Cushman & Wakefield does not publish detailed financial statements of its own. In April 2012, however, the company released some results from its 2011 fiscal year. The firm reported gross revenue of $2.0 billion for the year, a 13.4 percent increase from the previous year. This represented the second highest such performance, and was the second straight year of double digit revenue growth. Also in 2011, Net Income improved by 13.7 percent to $172.7 million.

FITZPATRICK, CELLA, HARPER & SCINTO LLP

Fitzpatrick, Cella, Harper & Scinto, otherwise known as Fitzpatrick, is an American law firm specializing in intellectual property law. The practice covers all aspects of intellectual property law, including patents, trademarks, copyrights, unfair competition, and trade secrets. Fitzpatrick has one of the nation's premier patent litigation practices, and prosecutes twice as many patents as any other New York-based firm.

Founded in 1971 and based in New York City, the firm also has offices in Washington, D.C. and Costa Mesa, California, employing roughly 175 lawyers. Fitzpatrick has served many high profile clients, including S.C. Johnson & Son, Prudential, IBM, Conde Nast, and Bristol-Myers Squibb.

CREDIT RATINGS

Fitzpatrick is not currently rated by any of the major credit agencies.

ANNUAL FILING DATA

As a private partnership, Fitzpatrick does not publish detailed financial data. It is known, however, that the firm was the 171st largest law practice in the nation in 2011, having gross revenues of $131.0 million.

COLUMBIA UNIVERSITY

Columbia University is a private university located in Manhattan's upper west side. Founded in 1754, it is the oldest institution of higher learning in New York, and the fifth oldest in the country. The Ivy League member counts 28,221 students and an academic staff of 3,634 people. Nearly 20,000 of the students are at the postgraduate level, leading to its reputation as a research university.

Along with its main campus in Morningside Heights, Columbia is also constructing a new campus in Manhattanville, a neighborhood just north of Morningside Heights. This campus will house buildings for the schools of business and arts, and a new research center for studies on neurodegenerative diseases. In July 2012, the school announced that it would be creating a new Institute for Data Sciences and Engineering as part of the city's Applied Sciences NYC initiative, joining Cornell and NYU in their own endeavors.

CREDIT RATINGS

Columbia is currently rated investment grade by Moody's, but is not rated by Fitch or S&P.

CREDIT RATINGS

Agency	Issuer Rating	Last Rating Date	Outlook
Moody's	Aaa	May-12	Stable
Fitch	-	-	-
S&P	-	-	-

Source: Moody's, Fitch, S&P

ANNUAL FILING DATA

Columbia files annual financial reports for its trustees. Since the recession, the school's enrollment has increased, likely a result of workers going back to school to avoid the weak job market. A summary of the reports is provided in the table below:

COLUMBIA UNIVERSITY FINANCIAL OVERVIEW

	2012	2011	2010
Operating Revenue (in millions)	$3,712	$4,115	$3,308
Change in Revenue	-9.8%	24.4%	2.6%
Net Income (in millions)	$287	$800	$150
Endowment (in millions)	$7,654	$7,790	$6,517
Enrollment	28,221	27,606	26,400
Number of Employees (Year End)	14,506	14,754	14,800

Source: School filings; Each date is for the year ended June 30th

ANNUAL FILING DATA

Bryan Cave's total revenue in fiscal 2011 increased by 3.3 percent over the prior year to $557.5 million. The firm's revenue was ranked 55th in revenue compared to other American law firms for 2011.

The following is a profile of Bryan Cave's annual financial performance:

BRYAN CAVE LLP FINANCIAL OVERVIEW		
	FY 2011	FY 2010
Revenue (in millions)	$557.5	$539.7
Change in Revenue	3.3%	-

Source: American Law yer

WENNER MEDIA LLC

Wenner Media is a magazine publishing company based in New York City and founded in 1967. The company is best known for its flagship magazine, *Rolling Stone*. In addition, Wenner Media also publishes *Men's Journal* and *US Weekly*. In recent years, the company has been focusing on digital content in an effort to offset print losses. This has included the expansion of each of the three magazines' websites. According to the publisher, the three sites combine for 13.2 million unique monthly visitors and 4.8 million monthly unique mobile visitors. Wenner Media is currently headquartered at 1290 Avenue of the Americas and employs an estimated 300 people.

CREDIT RATINGS

Wenner Media is not currently rated by any of the major credit agencies.

ANNUAL FILING DATA

As a privately held company, Wenner Media does not publish detailed financial data.

ABN AMRO NORTH AMERICA

In 2010 the bank, one of the three largest in the Netherlands, separated from Royal Bank of Scotland and was transferred to a new holding company, ABN AMRO Group, which is wholly owned by the Dutch government. The new ABN AMRO Bank serves commercial, consumer, and private clients with some 500 branches in the Netherlands, and approximately 30 other countries. In addition to retail and commercial banking, the group provides investment banking, derivatives and equity clearing, leasing, and commercial financing services. The Dutch banking operations of state-owned insurer Ageas (formerly Fortis) were merged with ABN AMRO Bank in 2010. ABN AMRO began cutting what could end up to be about 5,000 jobs in the Netherlands in relation to the merger. That level of cuts represents about 17% of the combined workforce of the banks.

All of the shifting began after an ill-timed acquisition left several banks with massive debt during one of the most severe global economic downturns in history. Fortis, Royal Bank of Scotland, and Banco Santander bought ABN AMRO in 2007. The three owners carved up the bank as follows: Banco Santander laid claim to ABN AMRO's Brazilian and Italian operations, Fortis got the Dutch consumer banking arm and the asset management and private banking operations, and RBS took the North American and Asian banking and investment banking units.

With the merger and integration of the two retail banks (ageas and ABN AMRO) nearly complete, the group has been focusing on improving its customer service offerings and operating efficiencies. For example, in 2011 ABN AMRO introduced a mobile banking application, and processing times for certain transactions have been reduced by more than half. The group has also increased the amount of lending it can provide in each commercial branch (to €1 million) in hopes of reenergizing loan activities. Another area ABN AMRO is betting on is its merchant banking activities for the energy, commodities, and transportation industry, which actively trades in the Netherlands.

As the bank regroups, it still has to contend with the European sovereign debt crisis and the Dutch recession. In 2011 ABN AMRO's underlying profits decreased 11% from the previous year as a result of loan impairments on Greek debt plus provisions for staff reductions. Revenues were also impacted by a general decline in transaction volumes. After reporting a loss in 2010, though, largely as a result of integration expenses, the company reported net profits of €689 million in 2011.

Noting the rapidly changing and consolidating private banking market in Switzerland, the group sold its Swiss private banking unit to Union Bancaire Privée for an undisclosed sum in 2011. As one of its key strategic efforts, ABN AMRO will focus its private banking operations in the euro zone and Asia. To that end, ABN AMRO bought the private banking operations of LGT Group in Germany later that year.

In another acquisition deal, ABN AMRO bought parts of RBS' merchant banking business in the Netherlands in 2012. The deal included the bank's mergers and acquisitions advisory, sector advisory, equity brokerage, and capital structuring operations. It should help ABN AMRO as it seeks to be the top commercial and merchant bank for Dutch customers.

The group also sold its commercial insurance brokerage activities to Aon, and its insurance operations serving small and midsized businesses will be transferred to a 49%-owned joint venture with Delta Lloyd. The moves follow an industry trend to separate banking and insurance operations.

ABBOTT CAPITAL MANAGEMENT

Abbott Capital Management, L.L.C. is an investment firm specializing in direct and fund of funds investments. Within direct investments, it specializes in buyout, special situations, growth equity, early stage, and late stage growth funds. It seeks to invest in a wide array of industries. The firm invests in geographic markets covering the United States and non United States including Europe. It invests across company sizes. Abbott Capital Management, L.L.C. was founded in 1986 and is based in New York, New York.

PROTIVITI INC. & ROBERT HALF

Protiviti provides independent internal auditing and risk consulting services to a variety of corporate clients. Protiviti helps customers identify and manage operational and technology-related risks. Its consultants specialize in a number of areas, including manufacturing and energy and utilities. Most of the company's professionals are veterans of major accounting firms. Protiviti operates mainly in the US; it also does business elsewhere in the Americas, and in the Asia/Pacific region, Europe, and the Middle East. A subsidiary of staffing giant Robert Half International, Protiviti maintains more than 60 offices in 15 countries.

Protiviti has expanded by enhancing its services, opening new offices, and by acquisitions. In response to the recession, the firm launched a dedicated team of consultants specializing in cross-industry disciplines to better cater to companies more closely affected by the economic downturn.

Protiviti was formed in 2002 when Robert Half International hired about 760 professionals who had worked in the internal audit and business and technology risk consulting practice of Arthur Andersen. The Protiviti name comes from a combination of the words "professionalism" and "proactivity."

WALL STREET SYSTEMS

Wall Street Systems is a private computer systems company that provides functionally, integrated and scalable solutions for improved workflow, control and overall productivity for corporate treasury, bank treasury, central banking, FX trading and global back office operations. The company has over 700 employees working out of 14 offices worldwide.

JPMORGAN CHASE & COMPANY

Founded in 1823 and headquartered in New York, New York, JPMorgan Chase & Company is one of the largest financial services firms in the U.S. The company has more than 5,100 bank branches across the country and is also among the nation's largest mortgage lenders and credit card issuers. Active in approximately 60 countries, the company also boasts formidable investment banking and asset management operations. The firm's subsidiaries include JPMorgan Private Bank and institutional investment manager JPMorgan Asset Management (with some $1.7 trillion in assets under supervision). JPMorgan Chase & Company also owns private equity firm One Equity Partners and 41.0 percent of mutual fund company American Century.

JPMorgan Chase closed a couple of very high profile deals as the economic crisis claimed numerous victims. It acquired Bear Stearns, one of Wall Street's top investment banks, and the operations of Washington Mutual (WaMu), the largest bank to fail in U.S. history. Both deals closed in 2008.

The company also stepped in to buy WaMu when that bank failed and was seized by regulators. It paid $1.9 billion for the bank's operations and assumed some $31.0 billion in losses. JPMorgan began integrating WaMu's branches with its own retail network, phasing out the WaMu brand, and closing about 10.0 percent of the combined branches. Shortly after the acquisition, JPMorgan cut 9,200 WaMu jobs.

In 2010, JPMorgan acquired the European and Asian segments of RBS Sempra Commodities, the energy trading joint venture between Royal Bank of Scotland and Sempra Energy. The $1.6 billion deal did not include RBS Sempra's more valuable North American segment. JPMorgan will integrate the business into the bank's existing global commodities business, doubling its corporate client numbers.

CREDIT RATINGS

JPMorgan Chase & Company is rated above investment grade by Moody's, Fitch and Standard & Poor's.

CREDIT RATINGS				
Agency	Issuer/ Long-Term Rating	Senior Unsecured Rating	Last Rating Date	Outlook
Moody's	A2	Aa3	Jun-12	Negative
Fitch	A+	A+	Oct-12	Stable
S&P	A	A	May-12	Negative

Source: Moody's, Fitch, S&P

ANNUAL FINANCIAL DATA

JPMorgan Chase & Company's total revenue in fiscal 2011 was $110.8 billion, a decrease of 4.0 percent from $115.5 billion in fiscal 2010. Net income for the year was nearly $19.0 billion in fiscal year 2011, up from net income of $17.4 billion in fiscal year 2010.

The following is a profile of JPMorgan Chase & Company's annual financial performance:

JPMORGAN CHASE & COMANY PERFORMANCE AND STATISTICS					
	FY 2011	FY 2010	FY 2009	FY 2008	FY 2007
Total Revenue (in millions)	$110,838	$115,475	$115,632	$101,491	$116,353
Change in Revenue	-4.0%	-0.1%	13.9%	-12.8%	-
Net Income (in millions)	$18,976	$17,370	$11,728	$5,605	$15,365

Source: Company filings

DUANE READE

Duane Reade is a pharmacy and convenience store chain, operating as a subsidiary of its former rival, Walgreen Company. Walgreen Company is the largest drug store chain in the United States by sales. At the end of fiscal 2011, the company operated 7,761 retail drugstores in all 50 States, the District of Columbia, Puerto Rico, as well as two mail-order facilities. Walgreen's fill over 650.0 million prescriptions annually, and 65.0 percent of the company's revenue is derived through the sale of prescription drugs. Walgreen's stores also sell non-prescription drugs, general merchandise, cosmetics, toiletries, household items, food and beverages. The Company owns 20.0 percent of its retail stores and leases the remainder. Customers can have prescriptions filled at the drugstore counter, as well as through mail, by telephone and on the Internet.

Company founder Charles Walgreen opened his first namesake store in Chicago in 1901. The Company grew rapidly throughout the Chicago metro area, reaching 20 stores in 1920. Walgreen took the company public in 1927 with nearly 400 stores. Walgreens was a pioneer of self-service stores after World War II. In recent years, the company has expanded aggressively into other health care sectors, including home care and prescription management.

In February 2010, Walgreens announced that it planned to acquire rival Duane Reade for total consideration of $1.075 billion. Duane Reade operated approximately 258 stores throughout the New York City metro area at the time of sale. Walgreen paid $618.0 million in cash and assumed $457.0 million of Duane Reade's debt. The acquisition closed in April 2010. Because Walgreens had some footprint in the Greater New York market, this resulted in some Duane Reade locations being just doors away from Walgreens stores. Such Duane Reade locations in close proximity were closed in summer 2010.

In 2011, Walgreens purchased drugstore.com in a deal valued at about $410.0 million. The transaction expands Walgreen's e-commerce portfolio by adding drugstore.com's site, as well as its beauty.com, skinstore.com, and visiondirect.com properties to its existing Walgreens.com online business. Drugstore.com logged $456.0 million in 2010 to make it the number eight retail destination on the web. Walgreens plans to eventually integrate drugstore.com into its existing e-commerce organization.

Walgreens also entered an agreement to buy BioScrip's community specialty pharmacies and centralized specialty and mail service pharmacy business for $225.0 million. The acquisition closed in May of 2012. The acquired community specialty pharmacy business includes a national network with 30 locations in 16 states across the U.S. and the District of Columbia, primarily serving HIV, oncology and transplant patients. Walgreens also acquired certain assets of BioScrip's centralized specialty pharmacy business and traditional mail service pharmacy business that dispenses prescriptions for, among others, drugstore.com.

In June of 2012, Walgreens announced its intention to buy a 45.0 percent stake in Europe's Alliance Boots, Europe's biggest pharmacy-beauty retailer, in a $6.7 billion deal that could give Walgreens control of Alliance Boots in 2015. Walgreens is paying $4.0 billion in cash and $2.7 billion in company stock for Alliance Boots, and has an option to buy the remaining 55.0 percent stake in the company for another $9.5 billion.

Quarterly Filing Data

Walgreens reported quarter-ending May 2012 net sales of $17.8 billion and net income of $537.0 million. Comparatively, in the quarter-ending May 2011 Walgreens recorded net sales of $18.4 billion and the company reported a net gain of $603.0 million.

Quarterly earnings are as follows:

QUARTERLY REVENUE (IN MILLIONS)			
Segment	**May-12**	**May-11**	**Change**
Revenue	$17,752	$18,371	-3.4%
Net Income	$537	$603	-10.9%

Source: Company filings

Credit Ratings

Walgreens is rated investment grade by Moody's and Standard & Poor's.

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CREDIT RATINGS				
Agency	Issuer Rating	Senior Unsecured Rating	Last Rating Change	Outlook
Moody's	Baa1	Baa1	Aug-12	Negative
Fitch	-	-	-	-
S&P	BBB	BBB	Aug-12	Stable

Source: Moody's, Fitch, S&P

Annual Financial Data

Walgreens' net sales in fiscal 2011 were $72.2 billion, an increase of 7.1 percent from $67.4 billion in fiscal 2010. Net income for the year grew by 29.8 percent to $2.7 billion. Same-store revenue growth in 2011 improved 3.3 percent from the prior year.

The following is a profile of Walgreen's annual financial performance:

WALGREEN CO. FINANCIAL PERFORMANCE	FY 2011	FY 2010	FY 2009	FY 2008	FY 2007	FY 2006
Net Sales (in millions)	$72,184	$67,420	$63,335	$59,034	$53,762	$47,409
Change in Net Sales	7.1%	6.4%	7.3%	9.8%	13.4%	12.3%
Net Income (in millions)	$2,714	$2,091	$2,006	$2,157	$2,041	$1,751
Same Store Revenue Change	3.3%	1.6%	2.0%	4.0%	8.1%	7.7%
Gross Leasable Area (SF in millions)	86.0	84.0	78.8	71.5	65.3	60.3
Average Store Size	11,100	11,100	11,100	11,100	11,100	11,100
Net Stores Opened	199	565	554	561	536	476
Number of Drugstores (Year End)	7,761	7,562	6,997	6,443	5,882	5,415
Number of Employees (Year End)	247,000	244,000	238,000	237,000	226,000	195,000

Source: Company filings
*Denotes C&W estimate

Store Openings / Closings

As of August 31, 2011, Walgreens operates 8,210 locations within all 50 states, the District of Columbia, Puerto Rico and Guam. Walgreens locations include: 7,761 drugstores, 355 worksite facilities, 83 infusion and respiratory services facilities, nine specialty pharmacies and two mail service facilities. In 2011, the company opened or acquired 297 locations for a net increase of 164 locations after relocations and closings. Total locations do not include 357 Take Care clinics operated within the Walgreens locations.

The Toronto–Dominion Bank

The Toronto-Dominion Bank, also known as TD Bank or TD Financial, the company is one of the largest banks in Canada, where it operates more than 1,100 branches under the TD Trust banner. U.S. subsidiary TD Bank, N.A. has another 1,300 branches in about 15 eastern states. TD also offers commercial financial and advisory services. Other units include TD Insurance, TD Asset Management (mutual funds), and TD Securities (investment banking, equities, and foreign exchange). Its TD Waterhouse is the largest online brokerage in the UK and Canada; TD Bank also owns 45.0 percent of U.S. discount brokerage TD Ameritrade.

Over the years, TD Bank has been building its U.S. operations to increase its earnings beyond Canada. As U.S. banks fell in record amounts as a result of the global financial crisis, TD Bank and other Canadian firms took the opportunity to further boost their U.S. holdings. In 2010 TD Bank, N.A. added more than 60 branches in Florida by acquiring three failed banks. It also bought The South Financial Group to further expand in the Sunshine State and establish a presence in the Carolinas; that deal added about 70 locations.

In 2011, TD Bank bought most of auto lender Chrysler Financial from Cerberus in a $6.39 billion deal. The acquisition provided a significant boost to the company's loan portfolio, as well as some one million customers in the U.S. and Canada. TD Bank rebranded the lender TD Auto Finance. It later expanded another segment of its consumer lending operations when it bought Bank of America's MBNA Canada credit card business, adding some 1.8 million active accounts.

CREDIT RATINGS

The Toronto-Dominion Bank is rated above investment grade by Moody's, Fitch and Standard & Poor's:

CREDIT RATINGS			
Agency	Issuer Rating	Last Rating Date	Outlook
Moody's	Aaa	Aug-12	Negative
Fitch	AA-	Jan-12	Stable
S&P	AA-	Jul-12	Negative

Source: Moody's, Fitch, S&P

ANNUAL FILING DATA

For fiscal year 2011, revenues were $27.4 million, as compared to $24.9 million in fiscal year 2010. Revenues increased 10.1 percent during fiscal 2011. As well, net income increased 30.3 percent to $5.9 million.

The following is a profile of The Toronto-Dominion Bank's annual financial performance:

THE TORONTO-DOMINION BANK FINANCIAL OVERVIEW	FY 2011	FY 2010	FY 2009	FY 2008	FY 2007
Revenues (Mil.)	$27,434	$24,914	$23,705	$21,526	$26,703
Change in Revenues	10.1%	5.1%	10.1%	-19.4%	-
Net Income (Mil.)	$5,935	$4,553	$2,909	$3,170	$4,187
Number of U.S. retail stores	1,281	1,269	1,028	-	-

Source: Company filings

STORE OPENINGS / CLOSINGS

TD Bank opened 37 U.S. locations in fiscal 2011. The company intends to open in excess of 30 new stores in fiscal 2012.

SOVEREIGN BANK TENANT PROFILE

Sovereign Bank caters to individuals and small to midsized businesses, offering deposits, credit cards, insurance, and investments, as well as commercial loans and mortgages, residential mortgages and home equity loans. Sovereign Bank currently has more than 700 locations. Santander Holdings USA is the immediate parent company of Sovereign Bank. Santander Holdings also owns a majority of Santander Consumer USA, which purchases and services subprime car loans made by auto dealerships and other companies. Spain-based banking giant Banco Santander acquired the rest of Sovereign Bancorp it didn't already own in 2009.

Founded in 1902, Sovereign Bank has grown by making approximately 30 acquisitions since 1990. Its acquisitive ways have brought the company new markets and, sometimes, new headaches. For example, the company's 2006 purchase of Independence Community Bank and its 125 branches gave the bank a foothold in the New York metro area and linked the bank's mid-Atlantic and New England operations. The deal was filled with difficulties, including shareholder concern over where power of the company would end up if the company sold shares to fund the acquisition. In the ensuing tumultuous years, three CEOs were replaced as Sovereign tried to overcome its exposure to bad loans.

Streamlining back-office operations were among the cost-cutting efforts utilized to stop the company's losses. The bank transferred its loan servicing operations to Santander Consumer USA and stopped originating indirect auto loans in the Southeast and Southwest after that business performed poorly.

Santander Holdings returned to profitability in 2009 after Sovereign Bancorp suffered more than $3.0 billion in losses in 2007 and 2008 combined, as the company ramped up its focus on risk management and collections. It continued its momentum into 2010 and 2011 as the economy showed signs of improvement. Santander Holdings has stabilized the credit quality of its loan portfolio and experienced fewer net charge-offs and lowered its provisions for loan losses. Improved performance from investments, an uptick in net interest margins, and acquisitions by Santander Consumer helped the company's results as well.

CREDIT RATINGS

Sovereign Bank N.A. is rated investment grade by Moody's, Fitch and Standard & Poor's.

CREDIT RATINGS			
Agency	Issuer/ Long-Term Rating	Last Rating Date	Outlook
Moody's	Baa1	Jun-12	Possible Downgrade
Fitch	BBB	Jun-12	Negative
S&P	BBB	Oct-12	Negative

Source: Moody's, Fitch, S&P

ANNUAL FINANCIAL DATA

In fiscal 2011, the company reported revenue growth of 23.4 percent ($7.2 billion) and net income growth of 18.8 percent ($1.3 billion), as both interest and noninterest earnings increased.

The following is a profile of Santander Holdings USA's annual financial performance:

SANTANDER HOLDINGS USA, INC. PERFORMANCE AND STATISTICS					
	FY 2011	FY 2010	FY 2009	FY 2008	FY 2007
Total Revenue (in millions)	$7,175.1	$5,814.0	$4,923.7	$3,104.4	$5,010.7
Change in Revenue	23.4%	18.1%	58.6%	-38.0%	-
Net Income (in millions)	$1,258.2	$1,059.4	$161.6	-$2,357.2	-$1,349.3

Source: Company filings

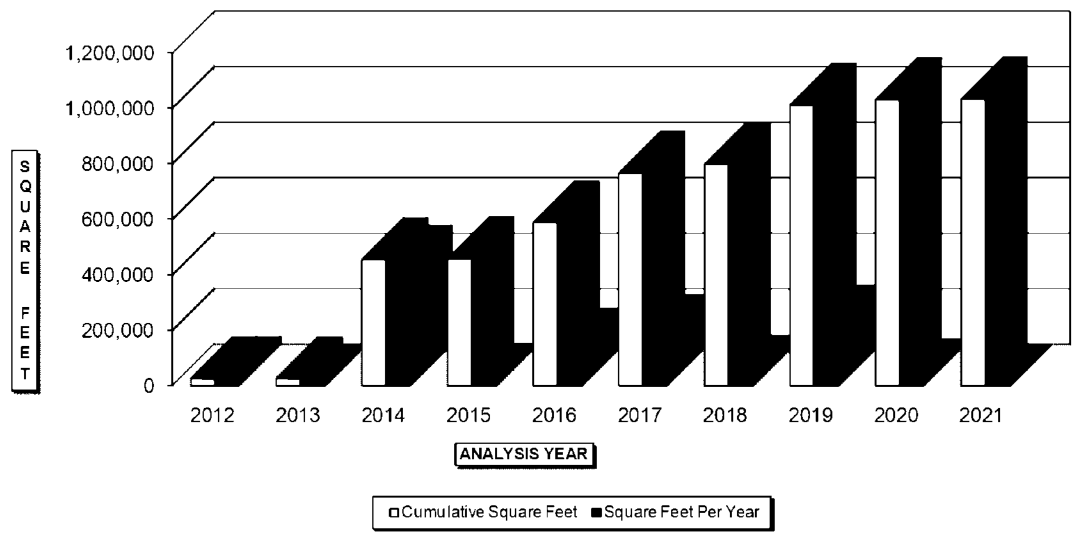
LEASE EXPIRATIONS

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

LEASE EXPIRATION SCHEDULE

Year Expiration	Expiring Square Footage Per Rent Roll		% of Square Footage	Cumulative	% of Total Rentable Area	Annual Base Rent On Expiration	Annual Base Rent/SF	% of Total Rent	Cumulative
2012	27,690	27,452	1.32%	27,690	1.32%	$1,871,850	$67.60	1.19%	1.19%
2013	0	0	0.00%	27,690	1.32%	$0	$0.00	0.00%	1.19%
2014	428,948	439,696	20.39%	456,638	21.71%	$28,138,438	$65.60	17.89%	19.09%
2015	2,191	2,100	0.10%	458,829	21.81%	$331,607	$151.35	0.21%	19.30%
2016	129,875	131,634	6.17%	588,704	27.99%	$6,660,453	$51.28	4.24%	23.53%
2017	178,834	178,189	8.50%	767,538	36.49%	$11,850,716	$66.27	7.54%	31.07%
2018	32,199	30,531	1.53%	799,737	38.02%	$1,838,535	$57.10	1.17%	32.24%
2019	212,982	219,899	10.13%	1,012,719	48.15%	$14,723,991	$69.13	9.36%	41.60%
2020	19,039	18,550	0.91%	1,031,758	49.05%	$2,041,734	$107.24	1.30%	42.90%
2021	1,797	1,772	0.09%	1,033,555	49.14%	$212,634	$118.33	0.14%	43.04%
2022	36,209	36,171	1.72%	1,069,764	50.86%	$2,143,413	$59.20	1.36%	44.40%
2023	423,174	418,220	20.12%	1,492,938	70.98%	$39,943,472	$94.39	25.40%	69.80%
2024	133,928	134,215	6.37%	1,626,866	77.35%	$13,826,944	$103.24	8.79%	78.59%
2025	266,909	265,210	12.69%	1,893,775	90.04%	$21,312,922	$79.85	13.55%	92.15%
2026	0	0	0.00%	1,893,775	90.04%	$0	$0.00	0.00%	92.15%
2027	3,555	3,555	0.17%	1,897,330	90.21%	$1,777,500	$500.00	1.13%	93.28%
2028	0	0	0.00%	1,897,330	90.21%	$0	$0.00	0.00%	93.28%
2029	0	0	0.00%	1,897,330	90.21%	$0	$0.00	0.00%	93.28%
2030	0	0	0.00%	1,897,330	90.21%	$0	$0.00	0.00%	93.28%
2031	0	0	0.00%	1,897,330	90.21%	$0	$0.00	0.00%	93.28%
2032+	122,666	122,773	5.83%	2,019,996	96.04%	$10,568,298	$86.16	6.72%	100.00%
Vacant	80,418	80,418	3.82%	2,100,414	99.86%	–	–		
Bldg Mgmt	2,874	2,874	0.14%	2,103,288	100.00%	–	–		
Analysis Period CY 2012 - 2026 (14 years)									
Totals	1,033,555	1,049,823	49.14%			$67,669,956		43.04%	
Average	73,825	74,987	3.51%			$4,833,568		3.07%	
Entire Property FY 2012 - 2032 (21 years)									
Totals	2,103,288	2,113,259	90.21%			$157,242,504		100.00%	
Average	100,157	100,631	4.30%			$7,487,738		4.76%	

* Net rentable area prior to remeasurement target of 2,113,259 square feet.



Based upon the subject's current lease expiration schedule, approximately 90 percent of the property's rentable area is represented by leases that are due to expire during the analysis period (through 2026). Only 27,690± square feet is due to expire through 2012.

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The major rollover years in the analysis period occur in 2014, 2019, 2023 and 2025. In 2020, 841,646± square feet (47.72 percent) of the property's rentable area expires; in 2014, 428,948± square feet (20.39 percent) expires; in 2019, 212,982± square feet (10.13 percent) expires; and in 2027, 423,174± square feet (20.12 percent) expires. In 2014, 2019, 2023 and 2025, the leases expire with Wall Street Systems, Morrison & Foerster, Microsoft, ABN Amro N America, Bryan Cave, AXA Equitable, Cushman & Wakefield, Gleacher & Co. > Renewal, and Kintetsu International. The average rollover over the next 15 years is 3.51 percent per year.

LEASE EXPIRATION ANALYSIS		
Total NRA of Subject Property (SF)	2,103,288	100.00%
Year of Peak Expiration	3	
SF Expiring in Peak Year	428,948	20.39%
Five Year Cumulative Expirations (SF)	588,704	27.99%
Tenth Year Cumulative Expirations (SF)	1,033,555	70.98%

Compiled by Cushman & Wakefield, Inc.

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

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.

Leasing brokers have indicated that the office leasing market has improved since the end of 2009 significantly primarily as a result of absorbed space and increased leasing activity as tenants are trying to lock in lower rental rents. There has recently been increased interest in leasing in the better Midtown Manhattan office buildings by many local companies. This trend is expected to continue as the inventory of available space continues to diminish.

As of 2nd Quarter of 2012, Midtown's overall vacancy at 9.8 percent, held steady as the total amount of available space on the market remained relatively unchanged. Sublease space, which was slightly up from a year ago, steadily declined in the second quarter falling to its lowest level since year-end 2011. While direct available space inched up slightly in April and May, it had fallen to 19.8 million square feet by the end of June, mainly due to positive absorption of direct available space. Midtown's class A vacancy rate at 10.7 percent fell to its lowest level this year but still remains above equilibrium. Direct year-to-date absorption was positive at 159,305 square feet mainly due to the steady leasing of direct available space.

In addition, quarterly leasing reached nearly 3.2 million square feet bringing the year to date total to 6.5 million square feet. Although new leasing activity is 42 percent lower than a year ago, renewal activity was exceptionally strong accounting for close to 33 percent of all activity, up from 20 percent a year ago. The largest transactions in the second quarter were the renewal and expansion of Viacom International for 1.6 million square feet at 1515 Broadway followed by the renewal of Citibank for 475,000 square feet at 601 Lexington Avenue. Of the top ten Midtown leases 100,000 square feet and larger signed this year, nine consisted of renewals or renewal expansions.

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	1290 Avenue of the Americas New York City	630 Fifth Avenue New York City		1120 Avenue of the Americas New York City		1251 Avenue of the Americas New York City		250 West 55th Street New York City		1301 Avenue of the Americas New York City	
YEAR BUILT	1963	1935		1951/2006		1971		Under Construction		1963	
RENTABLE AREA (SF)	2,113,259	948,572		400,000		1,893,652		1,052,150		1,795,955	
NO.STORIES	43	41		21		54		38		45	
LEASE INFORMATION											
TENANT NAME		Riverside Partners		Perry Ellis International		Rothschild Group		Kaye Scholer		Wilson, Sonsini, Goodrich & Rosati PC	
FLOOR(S) LEASED		Pt. 4th		Pt. 7th, Ent. 14th		Pt. 33rd - Ent. 34th		Base Floors		Pt. 39th, Ent. 40th	
LEASE DATE	November 2012	October 2012		August 2012		August 2012		July 2012		July 2012	
TERM		12.00		15.00		15.00		20.00		10.00	
LEASE TYPE		Gross		Gross		Gross		Gross		Gross	
TENANT SIZE		25,356		40,335		70,000		300,000		49,000	
RENT PER SF		$60.00	Yr. 1	$65.00	Yr. 1	$84.00	Yr. 1	$76.50	Yr. 1	$94.00	Yr. 1
		$65.00	Yr. 7	$70.00	Yr. 6	$90.00	Yr. 6	$83.50	Yr. 6	$100.00	Yr. 6
				$75.00	Yr. 11	$96.00	Yr. 11	$90.50	Yr. 11		
								$97.50	Yr. 16		
FREE RENT(MONTHS)	12	6		10		10		19		6	
WORKLETTER (PSF)	$50.00	$67.00		$60.00		$65.00		$75.00		$30.00	
ADJUSTMENTS											
RENT CONCESSIONS		$1.08		$0.06		($0.07)		($3.48)		$6.70	
EFFECTIVE ADJUSTED RENT PER SF		$61.08		$65.06		$83.93		$73.02		$100.70	
MONTHS FROM VALUE DATE		1		3		3		4		4	
TIME (MARKET CONDITIONS)		0.0%		0.0%		0.0%		0.0%		0.0%	
TIME ADJUSTED RENT PER SF		$61.08		$65.06		$83.93		$73.02		$100.70	
LOCATION		0%		0%		0%		10%		0%	
FLOOR		0%		0%		0%		0%		0%	
QUALITY		0%		0%		-5%		-15%		0%	
SIZE		-10%		-5%		0%		10%		-5%	
CONDITION		0%		0%		0%		0%		0%	
TOTAL ADJUSTMENT		-10%		-5%		-5%		5%		-5%	
INDICATED NET RENT PER SF		**$54.98**		**$61.80**		**$79.74**		**$76.67**		**$95.67**	

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COMPARABLE OFFICE RENTS AND ADJUSTMENTS

PROPERTY INFORMATION	SUBJECT	RENTAL 6	RENTAL 7	RENTAL 8	RENTAL 9	RENTAL 10
ADDRESS	1290 Avenue of the Americas New York City	1301 Avenue of the Americas New York City	1345 Avenue of the Americas New York City	1345 Avenue of the Americas New York City	55 East 52nd Street New York City	601 Lexington Avenue New York City
YEAR BUILT	1963	1963	1969	1969	1981	1977
RENTABLE AREA (SF)	2,113,259	1,795,955	1,896,140	1,896,140	1,050,000	1,492,860
NO.STORIES	43	45	50	50	44	59
LEASE INFORMATION						
TENANT NAME		Chadbourne & Parke	Fortress	MacKay Shields	Intercontinental Exchange (ICE)	Citibank
FLOOR(S) LEASED		Ent. 22nd - Ent. 27th	Ent. 23rd	Pt. 42nd - Ent 43rd	Ent. 39th - Ent. 41st	Ent. 3rd-6th & Ent. 14th-25th
LEASE DATE	November 2012	July 2012	May 2012	April 2012	March 2012	March 2012
TERM		20.00	5.00	12.75	15.00	10.00
LEASE TYPE		Gross	Gross	Gross	Gross	Gross
TENANT SIZE		200,000	41,373	53,365	93,361	475,055
RENT PER SF		$83.00 Yr. 1 $89.00 Yr. 6 $95.00 Yr. 11 $105.00 Yr. 16	$65.00 Yr. 1 $70.00 Yr. 6	$85.00 Yr. 1 $91.50 Yr. 6 $100.00 Yr. 8	$95.00 Yr. 1 $102.00 Yr. 6 $109.00 Yr. 11	$73.76 Yr. 1 $82.84 Yr. 6
FREE RENT(MONTHS)	12	24	0	8	12	0
WORKLETTER (PSF)	$50.00	$0.00	$0.00	$65.00	$65.00	$25.00
ADJUSTMENTS						
RENT CONCESSIONS		($1.65)	$23.00	$1.05	($1.00)	$9.88
EFFECTIVE ADJUSTED RENT PER SF		$81.35	$88.00	$86.05	$94.00	$83.64
MONTHS FROM VALUE DATE		4	6	7	8	8
TIME (MARKET CONDITIONS)		0.0%	0.0%	0.0%	0.0%	0.0%
TIME ADJUSTED RENT PER SF		$81.35	$88.00	$86.05	$94.00	$83.64
LOCATION		0%	0%	0%	-5%	5%
FLOOR		0%	0%	0%	0%	0%
QUALITY		0%	0%	0%	-5%	-10%
SIZE		5%	-5%	-5%	0%	10%
CONDITION		0%	0%	0%	0%	0%
TOTAL ADJUSTMENT		5%	-5%	-5%	-10%	5%
INDICATED NET RENT PER SF		**$85.42**	**$83.60**	**$81.74**	**$84.60**	**$87.82**

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The comparable office leases, as exhibited on the **previous pages**, range from $60.00 to $95.00 per square foot, gross, before adjustments and may be summarized as follows:

RENTAL COMPARABLE NO. 1 involves a 25,356± square foot office lease within 630 Fifth Avenue located between 50th & 51st Streets. This lease was signed in October 2012 for a 12-year term. The tenant leased part of the 4th floor. The initial base rent was $60.00 per square foot, increasing to $65.00 per square foot in year seven. After adjusting for rent concessions (free rent and work letter), the equivalent rent is $61.08 per square foot.

In comparison to the subject property, a downward adjustment was required for size under the premise that smaller tenant spaces lease for more per square foot than larger tenant spaces. No other adjustments were required. The adjusted rent is $54.98 per square foot.

RENTAL COMPARABLE NO. 2 involves a 40,335± square foot office lease within 1120 Avenue of the Americas located between 43rd & 44th Streets. This lease was signed in August 2012 for a 15-year term. The tenant leased part of the 7th and the entire 14th floor. The initial base rent was $65.00 per square foot, increasing to $70.00 per square foot in year six, and $75.00 per square foot in year eleven. After adjusting for rent concessions (free rent and work letter), the equivalent rent is $65.06 per square foot.

In comparison to the subject property, a downward adjustment was required for size under the premise that smaller tenant spaces lease for more per square foot than larger tenant spaces. No other adjustments were required. The adjusted rent is $61.80 per square foot.

RENTAL COMPARABLE NO. 3 involves a 70,000± square foot office lease within 1251 Avenue of the Americas located between 49th & 50th Streets. This lease was signed in August 2012 for a 15-year term. The tenant leased part of the 33rd and the entire 34th floor. The initial base rent was $84.00 per square foot, increasing to $90.00 per square foot in year six, and $96.00 per square foot in year eleven. After adjusting for rent concessions (free rent and work letter), the equivalent rent is $83.93 per square foot.

In comparison to the subject property, a downward adjustment was required for quality. No other adjustments were required. The adjusted rent is $79.74 per square foot.

RENTAL COMPARABLE NO. 4 involves a 300,000± square foot office lease within 250 West 55th Street located between Broadway & Eighth Avenues. This lease is out for signature as of July 2012 for a 20-year term. The tenant is leasing the base floors of the building which is under construction and scheduled to be completed in 2013. The initial base rent was $76.50 per square foot, increasing to $83.50 per square foot in year six, $90.50 per square foot in year eleven, and $97.50 per square foot in year sixteen. After adjusting for rent concessions (free rent and work letter), the equivalent rent is $73.02 per square foot.

In comparison to the subject property, an upward adjustment was required for location. 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 $76.67 per square foot.

RENTAL COMPARABLE NO. 5 involves a 49,000± square foot office lease within 1301 Avenue of the Americas located between 52nd & 53rd Streets. This lease was signed in July 2012 for a 10-year term. The tenant leased part of the 39th and the entire 40th floor. The initial base rent was $94.00 per square foot, increasing to $100.00 per square foot in year six. After adjusting for rent concessions (free rent and work letter), the equivalent rent is $100.70 per square foot.

In comparison to the subject property, a downward adjustment was required for size under the premise that smaller tenant spaces lease for more per square foot than larger tenant spaces. No other adjustments were required. The adjusted rent is $95.67 per square foot.

RENTAL COMPARABLE NO. 6 involves a 200,000± square foot office lease within 1301 Avenue of the Americas located between 52nd & 53rd Streets. This lease was signed in July 2012 for a 20-year term. The tenant leased the entire 22nd and 27th floors. The initial base rent was $83.00 per square foot, increasing to $89.00 per square foot in year six, $95.00 per square foot in year eleven and $105.00 per square foot in year sixteen. After adjusting for rent concessions (free rent and work letter), the equivalent rent is $81.35 per square foot.

In comparison to the subject property, 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 $85.42 per square foot.

RENTAL COMPARABLE NO. 7 involves a 41,373± square foot office lease within 1345 Avenue of the Americas located between 54th & 55th Streets. This lease was signed in May 2012 for a 5-year term. The tenant leased the entire 23rd floor. The initial base rent was $65.00 per square foot, increasing to $70.00 per square foot in year six. After adjusting for rent concessions (free rent and work letter), the equivalent rent is $88.00 per square foot.

In comparison to the subject property, a downward adjustment was required for size under the premise that smaller tenant spaces lease for more per square foot than larger tenant spaces. No other adjustments were required. The adjusted rent is $83.60 per square foot.

RENTAL COMPARABLE NO. 8 involves a 53,365± square foot office lease within 1345 Avenue of the Americas located between 54th & 55th Streets. This lease was signed in April 2012 for a 12.75-year term. The tenant leased part of the 42nd and the entire 43rd floor. The initial base rent was $85.00 per square foot, increasing to $91.50 per square foot in year six, and $100.00 per square foot in year eight. After adjusting for rent concessions (free rent and work letter), the equivalent rent is $86.05 per square foot.

In comparison to the subject property, a downward adjustment was required for size under the premise that smaller tenant spaces lease for more per square foot than larger tenant spaces. No other adjustments were required. The adjusted rent is $81.74 per square foot.

RENTAL COMPARABLE NO. 9 involves a 93,361± square foot office lease within 55 East 52nd Street located between Park & Madison Avenues. This lease was signed in March 2012 for a 15-year term. The tenant leased the entire 39th through 41st floors. The initial base rent was $95.00 per square foot, increasing to $102.00 per square foot in year six, and $109.00 per square foot in year eleven. After adjusting for rent concessions (free rent and work letter), the equivalent rent is $94.00 per square foot.

In comparison to the subject property, a downward adjustment was required for location. A downward adjustment was required for quality. No other adjustments were required. The adjusted rent is $84.60 per square foot.

RENTAL COMPARABLE NO. 10 involves a 475,055± square foot office lease within 601 Lexington Avenue located between 53rd & 54th Streets. This lease was signed in March 2012 for a 10-year term. The tenant leased the entire 3rd through 6th and 14th through 25th floors. The initial base rent was $73.76 per square foot, increasing to $82.84 per square foot in year six. After adjusting for rent concessions (free rent and work letter), the equivalent rent is $83.64 per square foot.

In comparison to the subject property, an upward adjustment was required for location. 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 $87.82 per square foot.

After adjustment to the comparables, a range of $54.98 to $95.67 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.

1290 SIXTH AVENUE
OFFICE LEASES

No.	Tenant	Floors	Area (SF)	Begin Date	End Date	Yr/Rent		Base Year/Concessions	
1	Axa Equitable	Entire 11	86,877	Jan-08	Dec-23		$86.00	Tax Base:	2009/10
		Entire 12	78,885			(01/16)	$92.00	Operating Base:	2009
		Entire 13	69,536			(01/20)	$98.00	Electric:	None
		Entire 14	52,811					Free Rent:	6 Mos.
		Entire 15	53,136					Work letter:	N/A
		Entire 16	52,479						
			393,724						
2	Bryan Cave	Entire 30	24,893	Apr-89	Mar-19		$66.71	Tax Base:	2004
		Entire 31	24,861			(04/14)	$71.71	Operating Base:	2004
		Entire 32	26,572					Electric:	None
		Entire 33	26,359					Free Rent:	N/A
		Entire 35	26,501					Work letter:	N/A
			129,186						
		Part 34	1,836	Dec-12	Mar-19		$70.00	Tax Base:	2012/13
		Entire 36	27,558					Operating Base:	2012/13
		Entire 37	27,554					Electric:	None
			56,948					Free Rent:	None
								Work letter:	$40.00/SF
3	Microsoft	Part 4	56,106	Aug-06	Feb-14		$50.00	Tax Base:	2006
								Operating Base:	2006
								Electric:	None
								Free Rent:	N/A
								Work letter:	N/A
		Part 5	17,331	Aug-06	Feb-14		$50.00	Tax Base:	2006
								Operating Base:	2006
								Electric:	None
								Free Rent:	N/A
								Work letter:	N/A
		Entire 6	100,380	Mar-03	Feb-14		$49.75	Tax Base:	1997/98
								Operating Base:	1998
								Electric:	None
								Free Rent:	N/A
								Work letter:	N/A
4	Warner Music	Entire 23	26,599	Feb-96	Jun-17		$65.72	Tax Base:	2012
		Entire 24	26,594					Operating Base:	2012
		Entire 25	12,700					Electric:	None
		Entire 26	26,599					Free Rent:	2.5 Mos.
		Entire 27	26,599					Work letter:	N/A
		Entire 28	26,599						
		Entire 29	26,708						
			172,398						
5	Morrison & Foerster	Entire 38	27,554	Oct-12	May-14		$65.82	Tax Base:	1988/89
		Entire 39	27,554					Operating Base:	1988/89
		Entire 40	27,554					Electric:	None
		Entire 41	27,554					Free Rent:	N/A
			110,216					Work letter:	N/A
		Entire 42	27,522	Oct-12	May-14		$97.64	Tax Base:	2007/08
		Entire 43	18,196					Operating Base:	2007
			45,718					Electric:	None
								Free Rent:	N/A
								Work letter:	N/A
6	Cushman & Wakefield	Entire 7	100,375	Jun-09	Jan-25		$80.00	Tax Base:	2009
		Part 8	45,188			(01/15)	$88.00	Operating Base:	2009
		Part 9	10,719			(01/20)	$96.00	Electric:	None
			156,282					Free Rent:	N/A
								Work letter:	N/A
7	Fitzpatrick Cella Harper	Entire 17	25,457	Mar-09	Nov-24		$80.00	Tax Base:	2009/10
		Entire 18	26,702			(12/14)	$86.00	Operating Base:	2010
		Entire 19	26,708			(12/19)	$92.00	Electric:	None
		Entire 20	25,228					Free Rent:	N/A
		Part 21	14,629					Work letter:	N/A
			118,724						
		Part 21	11,700	Mar-09	Nov-24		$60.00	Tax Base:	2009/10
						(01/16)	$65.00	Operating Base:	2010
						(01/21)	$70.00	Electric:	None
								Free Rent:	N/A
								Work letter:	N/A

1290 SIXTH AVENUE
OFFICE LEASES (CONTD.)

No.	Tenant	Floors	Area (SF)	Begin Date	End Date	Yr/Rent		Base Year/Concessions	
8	Columbia University	Part 2	8,094	May-12	Jan-37		$57.00	Tax Base:	2012/13
						(02/17)	$62.00	Operating Base:	NNN
						(02/22)	$67.00	Electric:	None
						(02/27)	$75.00	Free Rent:	9.5 Mos.
						(02/32)	$85.00	Work letter:	N/A
		Entire 3	109,724	Nov-11	Jan-37		$57.00	Tax Base:	2012/13
						(02/17)	$62.00	Operating Base:	NNN
						(02/22)	$67.00	Electric:	None
						(02/27)	$75.00	Free Rent:	15.5 Mos.
						(02/32)	$85.00	Work letter:	N/A
9	Wenner Media LLC	Part 2	96,615	Jul-90	Oct-16		$52.50	Tax Base:	2006/07
								Operating Base:	2006
								Electric:	None
								Free Rent:	N/A
								Work letter:	N/A
10	Gleacher & Co.	Part 4	42,303	Apr-10	Mar-21		$59.55	Tax Base:	2009/10
						(04/13)	$62.07	Operating Base:	2009
						(05/15)	$64.05	Electric:	None
						(04/17)	$66.57	Free Rent:	N/A
						(05/20)	$69.05	Work letter:	N/A
	Option	Part 4	42,303	Apr-21	Apr-25	(04/21)	$60.00	Tax Base:	2010/11
								Operating Base:	2010
								Electric:	None
								Free Rent:	N/A
								Work letter:	N/A
		Part 4	9,513	Sep-10	Apr-25		$50.00	Tax Base:	2010/11
						(09/16)	$53.50	Operating Base:	2010
						(09/21)	$58.00	Electric:	None
								Free Rent:	N/A
								Work letter:	N/A
		Part 5	31,636	Jan-11	Apr-25		$59.55	Tax Base:	2010/11
						(04/13)	$62.07	Operating Base:	2010
						(05/15)	$64.05	Electric:	None
						(04/17)	$66.57	Free Rent:	N/A
						(05/20)	$69.05	Work letter:	N/A
						(04/21)	$60.00		
11	ABN Amro N America	Entire 10	80,880	Nov-94	Oct-14		$67.00	Tax Base:	1999/00
								Operating Base:	1999
								Electric:	None
								Free Rent:	N/A
								Work letter:	N/A
12	Abbott Capital Management	Part 9	34,709	Jul-11	Apr-22		$54.00	Tax Base:	2012
						(04/17)	$57.00	Operating Base:	NNN
								Electric:	None
								Free Rent:	9 Mos.
								Work letter:	N/A
13	Protiviti Inc & Robert	Part 5	33,260	Jul-05	Feb-16		$47.75	Tax Base:	2005/06
								Operating Base:	2005
								Electric:	None
								Free Rent:	N/A
								Work letter:	N/A
14	Wall Street Systems	Entire 22	26,599	Dec-11	Dec-12		$70.00	Tax Base:	None
								Operating Base:	None
								Electric:	None
								Free Rent:	N/A
								Work letter:	N/A
15	Frontpoint Management	Part 34	17,940	Jul-05	Nov-12		$54.00	Tax Base:	2005
								Operating Base:	2005
								Electric:	None
								Free Rent:	N/A
								Work letter:	N/A
	Option - Bryan Cave	Part 34	18,503	Dec-12	Mar-19		$70.00	Tax Base:	2012/13
								Operating Base:	2012
								Electric:	None
								Free Rent:	3 Mos.
								Work letter:	$40.00/SF

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1290 SIXTH AVENUE OFFICE LEASES (CONTD.)								
No.	Tenant	Floors	Area (SF)	Begin Date	End Date	Yr/Rent	Base Year/Concessions	
16	Kintetsu International	Part 9	16,367	Mar-10	Jan-25	$45.00 (09/15) $49.00 (05/20) $53.00	Tax Base: Operating Base: Electric: Free Rent: Work letter:	2009/10 2010 None N/A N/A
17	French Broadcasting	Part 34	4,397	May-83	Nov-12	$53.00	Tax Base: Operating Base: Electric: Free Rent: Work letter:	2005 2005 None None None
	Option - Bryan Cave	Part 34	4,722	Dec-12	Mar-19	$70.00	Tax Base: Operating Base: Electric: Free Rent: Work letter:	2012/13 2012 None 3 Mos. $40.00/SF
18	Axiom Investment Advisors	Part 34	2,511	Jan-07	Nov-12	$82.00	Tax Base: Operating Base: Electric: Free Rent: Work letter:	2007 2007 None N/A N/A
	Option - Bryan Cave	Part 34	2,587	Dec-12	Mar-19	$70.00	Tax Base: Operating Base: Electric: Free Rent: Work letter:	2012/13 2012 None 3 Mos. $40.00/SF

The subject property's office rents average $69.26 per square foot, gross. The adjusted comparable rentals range from $54.98 to $95.67 with an average of $79.20 per square foot, gross. The largest office tenant is AXA Equitable who leases over 18 percent of the property's total rentable area and pays a current contract rent of $86.00 per square foot. AXA Equitable has been a tenant in the subject since 1995.

The most recent office leases in 2012 were the expansion of Columbia University on the 2nd floor and the short term extension with Morrison & Foerster to 2014. Columbia University pays a current contract rent of $57.00 per square foot while the weighted contract rent for Morrison & Foerster is $75.15 per square foot.

The remaining office tenants in the property reflect rents ranging from $45.00 to $97.64 per square foot. These leases were signed between May 1983 and September 2011. Additional rent for these leases includes a real estate tax reimbursement and an operating expense escalation. Overall, we believe the average rents in the subject property are at market.

It should be noted that under the term of their lease, Bryan Cave has a must take clause for the space currently occupied by French Broadcasting Co., Axiom Investment Advisors and Frontpoint Management on the 34th floor.

OFFICE MARKET RENTAL RATE CONCLUSION

Recent leases within Midtown 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.

It should be noted that the upper floors generally have greater light and air than the lower floors in the building and demand a premium in rent, which is typical of many Class A office properties in Manhattan. The majority of the upper floors offer views of Central Park. In our analysis of the comparable rentals, we have considered adjustments to comparable leases for location, floor height, quality, size and location. Our adjustment for location and quality considers that the subject is considered a trophy quality property that provides an excellent Sixth

Avenue address. The building has an above standard construction quality, which is leasing requirement for many larger, long-term quality corporate tenants.

In addition, the current lobby and elevator renovation are expected to improve the subject's position in the marketplace and will have a positive effect on market rental rates.

In consideration of occupied area, floor height, size, relative Midtown location and lease date, the comparable rental data provide fairly consistent evidence of rental rates averaging in the high $60's per square foot which are reflective of the capital improvement project and the rent premiums commanded by private terraces and naming rights. This results in a range of market rent for 1290 Avenue of the Americas of $55 to $95 per square foot for new leases which has been distributed by floor level and size as follows:

OFFICE MARKET RENT

FLOORS	AVERAGE FLOORPLATE (SF)	RENT/SF
2 to 10	96,456	$55.00
11 to 16	65,621	$70.00
17 to 29	25,361	$80.00
30 to 43	26,714	$95.00
(Weighted Average)	46,798	$69.81

The above estimated market rents assume the following concession package.

MAJOR OFFICE TENANTS

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

MINOR OFFICE TENANTS

TITLE	FREE RENT		TENANT IMPROVEMENTS	
New Leases	Year 1	10 months	Year 1	$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 real estate market anticipate rents to increase on average at a minimum of 6 percent over the next six years. In addition, the 2010 and 2011 office sale transactions were based on such rent growth expectations. The fundamental driver of the Manhattan office market is a lack of new supply. With minimal new construction coming onto the market in the next three to five years, this situation is not expected to change any time soon. These changes in market conditions result in C&W's leasing brokerage group in Manhattan to forecast the following rent growths.

RENT GROWTH
Year 2 – 3%
Year 3– 7%
Year 4 – 10%
Year 5 – 7%
Year 6 – 5%
Thereafter – 3%

We have assumed a growth rate of 3 percent when making projections beyond the 7th year for office space. It should be noted that we have assumed a growth rate of 3 percent for retail market rent, which is consistent with C&W's leasing brokerage group.

MARKET RENTAL RATE – RETAIL SPACE

In addition to office space, the property is leased to 11 retail tenants located along three street frontages. There are two retail spaces along Avenue of the Americas; the retail space on the corner of West 51st Street and Avenue of the Americas is leased to Sovereign Bank (3,504 square feet). There is a pending lease for the retail space on the corner of West 52nd Street and Avenue of the Americas with TD Bank (3,555± square feet).

The retail space along West 51st Street is leased to three tenants; Duane Reade (10,123 square feet); Teresa's Gourmet Coffee (2,201 square feet); and Columbia University (3,659 square feet). The retail space occupied by Columbia will be used as a separate entrance and greeting area for the office space on the 2nd and 3rd floors.

The retail space along West 52nd Street is leased to five tenants; One BCJ Corp (2,900 square feet); 47th St United Empire (2,191 square feet); Bread Market (1,712 square feet); Starbucks Corp (1,500 square feet); and Earl of Sandwich (1,278 square feet).

In addition, there is one large, throughblock, side street retail space that is leased to JPMorgan Chase (22,148 square feet). There is one vacant retail space along the West 52nd Street side of the building totaling 3,509± square feet that is available for lease. The retail space in the property totals 58,280± prior to remeasurement and 56,208 square feet remeasurement.

The subject's current contract rents are summarized below.

RETAIL CONTRACT RENT SUMMARY				
Tenant	Rent Roll Area/SF	Remeasured Area/SF	Contract Rent	Contract Rent/SF
Sixth Avenue Frontage				
Sovereign Bank	3,504	3,516	$1,576,800	$450.00
TD Bank	3,555	3,555	$1,777,500	$500.00
51st Street Frontage				
Duane Reade	10,123	9,830	$1,302,385	$128.66
Columbia University	3,659	3,769	$365,900	$100.00
Teresa's Gourmet Coffee	2,201	2,101	$330,634	$150.22
52nd Street Frontage				
One BCJ Corp	2,900	2,469	$271,179	$93.51
47Th St United Empire	2,191	2,100	$298,261	$136.13
Bread Market	1,712	1,675	$197,993	$115.65
Starbucks Corp	1,500	1,460	$150,000	$100.00
Earl of Sandwich	1,278	1,278	$159,750	$125.00
To-Be-Leased	3,509	3,509	$0	$0.00
Mid Block Large				
JPMorgan Chase	22,148	20,946	$1,328,216	$59.97
Sixth Avenue Frontage	**7,059**	**7,071**	**$3,354,300**	**$475.18**
Side Street Frontage	**29,073**	**28,191**	**$3,076,102**	**$120.33**
Side Street Frontage (Large)	**22,148**	**20,946**	**$1,328,216**	**$59.97**
Total	**58,280**	**56,208**	**$4,404,317**	**$82.33**

Market rent for the retail space within the property has been estimated by analyzing **six** comparable leases exhibited on the summary chart and adjustment grid on a following page. 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.

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COMPARABLE RETAIL RENTS AND ADJUSTMENTS

	SUBJECT	RENTAL 1		RENTAL 2		RENTAL 3	
ADDRESS	1290 Sixth Avenue	1301 Sixth Avenue		1177 Sixth Avenue		1140 Sixth Avenue	
	B/w 51st & 52nd Sts.	B/w 52nd & 53rd Sts.		B/w 45th & 46th Sts.		N/W/C 44th Street	
	New York City	New York City		New York City		New York City	
LEASE INFORMATION							
TENANT NAME		Starbucks		Charles Tyrwhitt		City National Bank	
FRONTAGE		Sixth Avenue		Sixth Avenue		6th Avenue & 44th St	
BEGINNING DATE	November 2012	July 2012		March 2012		November 2011	
TERM		10		10		10	
LEASE TYPE	Gross	Gross		Gross		Gross	
TENANT SIZE		1,267	Grade	1,754	Grade	3,427	Grade
		392	LL				
		1,659	Total				
		Grade					
RENT PER SF		$289.86	1-5	$250.00	1	$450.00	1
		$318.84	6-10	% incr./yr.	2-10	% incr./yr.	2-10
FREE RENT(MONTHS)	6	4		6		6	
WORKLETTER (PSF)	$0.00	$0.00		$0.00		$0.00	
ADJUSTMENTS							
RENT CONCESSIONS		$4.83		$0.00		$0.00	
EFFECTIVE ADJUSTED RENT PER SF/GRADE LEVEL		$294.69		$250.00		$450.00	
MONTHS FROM VALUE DATE		4		8		12	
TIME (MARKET CONDITIONS)		0.0%		0.0%		0.0%	
TIME ADJUSTED RENT PER SF		$294.69		$250.00		$450.00	
LOCATION		0%		0%		0%	
QUALITY		20%		25%		0%	
SIZE		-5%		-5%		0%	
CORNER / FRONTAGE		35%		35%		0%	
TOTAL ADJUSTMENT		50%		55%		0%	
INDICATED RENT PER SF		**$442.03**		**$387.50**		**$450.00**	

COMPARABLE RETAIL RENTS AND ADJUSTMENTS

	SUBJECT	RENTAL 4		RENTAL 5		RENTAL 6	
ADDRESS	1290 Sixth Avenue	1211 Sixth Avenue		1100 Sixth Avenue		1300 Sixth Avenue	
	B/w 51st & 52nd Sts.	B/w 47th & 48th Sts.		N/E/C 42nd Street		B/w 52nd & 53rd Sts.	
	New York City	New York City		New York City		New York City	
TENANT NAME		News America		Sunglass Hut		Charles Schwab	
FRONTAGE		6th Avenue & 48th St		42nd St		Sixth Avenue	
BEGINNING DATE	November 2012	November 2011		November 2010		October 2010	
TERM		10		10		10	
LEASE TYPE	Gross	Gross		Gross		Gross	
TENANT SIZE		9,171	Grd	1,198	Grade	7,351	Grade
						10,981	LL
						18,332	Total
						Grade	
RENT PER SF		$300.00	1	$264.56	1	$225.00	1
		% incr./yr.	2-10	3% incr./year	2-10	10% incr./3 yrs.	
		Blended					
FREE RENT(MONTHS)	6	6		6		8	
WORKLETTER (PSF)	$0.00	$0.00		$0.00		$0.00	
ADJUSTMENTS							
RENT CONCESSIONS		$0.00		$0.00		($3.75)	
EFFECTIVE ADJUSTED RENT PER SF/GRADE LEVEL		$300.00		$264.56		$221.25	
MONTHS FROM VALUE DATE		12		24		25	
TIME (MARKET CONDITIONS)		0.0%		0.0%		0.0%	
TIME ADJUSTED RENT PER SF		$300.00		$264.56		$221.25	
LOCATION		0%		0%		0%	
QUALITY		0%		20%		20%	
SIZE		15%		-5%		15%	
CORNER / FRONTAGE		25%		25%		25%	
TOTAL ADJUSTMENT		40%		40%		60%	
INDICATED RENT PER SF		**$420.00**		**$370.38**		**$354.00**	

The comparable retail leases, exhibited on the **previous pages**, range from $200.00 to $450.00 per square foot before adjustments. The comparables may be summarized as follows:

RENTAL COMPARABLE NO. 1 involves a 1,659± square foot retail lease within 1301 Avenue of the Americas located between West 52nd and West 53rd Streets. This retail space consists of 1,267± square feet on the ground floor and 392± square feet in the lower level. This lease was signed in July 2012 for a 10-year term. The initial base rent was $289.86 per square foot increasing to $318.84 per square foot in year six. After adjusting for rent concessions (free rent and work letter), the equivalent rent is $294.69 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. An upward adjustment was required for corner / frontage. No other adjustments were required. The adjusted rent is $442.03 per square foot.

RENTAL COMPARABLE NO. 2 involves a 1,754± square foot retail lease within 1177 Avenue of the Americas located between West 45th and West 46th Streets. This comparable was signed in March 2012 for a 10-year lease. The initial base rent is $250.00 per square foot with subsequent increases. After adjusting for rent concessions (free rent and work letter), the equivalent rent is $250.00 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. An upward adjustment was required for corner / frontage. No other adjustments were required. The adjusted rent is $387.50 per square foot.

RENTAL COMPARABLE NO. 3 involves a 15,045± square foot retail lease within 1140 Avenue of the Americas located on the northwest corner of West 44th Street. This retail space consists of 3,378± square feet on the ground floor and 11,667± square feet in the 2nd floor. This comparable was signed in March 2012 for an 11-year lease. The initial base rent was $540.00 per square foot with subsequent increases. After adjusting for rent concessions (free rent and work letter), the equivalent rent is $508.50 per square foot.

In comparison to the subject property, a downward adjustment was required for quality. A downward adjustment was required for corner / frontage. No other adjustments were required. The adjusted rent is $457.65 per square foot.

RENTAL COMPARABLE NO. 4 involves a 9,171± square foot retail lease within 1211 Avenue of the Americas located between West 47th and West 48th Streets. This lease was signed in November 2011 for a 10-year term. The space contains frontage along Avenue of the Americas and West 47th Street. The initial base rent for the frontage on Avenue of the Americas was $500.00 per square foot, while the initial base rent for the side street frontage on West 48th Street was $150.00 per square foot, which produced a blended base rent of $300.00 per square foot. After adjusting for rent concessions (free rent and work letter), the equivalent rent is $300.00 per square foot.

In comparison to the subject property, an upward adjustment was required for size under the premise that smaller tenant spaces lease for more per square foot than larger tenant spaces. An upward adjustment was required for corner / frontage. No other adjustments were required. The adjusted rent is $420.00 per square foot.

RENTAL COMPARABLE NO. 5 involves a 1,198± square foot retail lease within 1100 Avenue of the Americas on the northeast corner of West 42nd Street. This lease was signed in November 2010 for a 10-year term. The initial base rent was $264.56 per square foot with subsequent increases. After adjusting for rent concessions (free rent and work letter), the equivalent rent is $264.56 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. An upward adjustment was required for corner / frontage. No other adjustments were required. The adjusted rent is $370.38 per square foot.

RENTAL COMPARABLE NO. 6 involves a 18,332± square foot retail lease within 1300 Avenue of the Americas located between West 52nd and West 53rd Streets. This retail space consists of 7,351± square feet on the ground floor and 10,981± square feet in the lower level. This lease was signed in October 2010 for a 10-year term. The initial base rent for the ground floor was $225.00 per square foot with subsequent increases. After adjusting for rent concessions (free rent and work letter), the equivalent rent is $221.25 per square foot.

In comparison to the subject property, an upward 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. An upward adjustment was required for corner / frontage. No other adjustments were required. The adjusted rent is $354.00 per square foot.

The comparable retail leases, exhibited on the **previous pages**, range from $354.00 to $450.00 per square foot after adjustments.

The following charts contains retail leases we feel are comparable to the subject's retail space on the side streets of West 51st and West 52nd Street:

COMPARABLE RETAIL RENTS AND ADJUSTMENTS

	SUBJECT	RENTAL 1		RENTAL 2		RENTAL 3	
ADDRESS	1290 Sixth Avenue	1301 Sixth Avenue		1177 Sixth Avenue		1140 Sixth Avenue	
	B/w 51st & 52nd Sts.	B/w 52nd & 53rd Sts.		B/w 45th & 46th Sts.		N/W/C 44th Street	
	New York City	New York City		New York City		New York City	
LEASE INFORMATION							
TENANT NAME		Starbucks		Charles Tyrwhitt		City National Bank	
FRONTAGE		Sixth Avenue		Sixth Avenue		6th Avenue & 44th St	
BEGINNING DATE	November 2012	July 2012		March 2012		March 2012	
TERM		10		10		10	
LEASE TYPE	Gross	Gross		Gross		Gross	
TENANT SIZE		1,267	Grade	1,754	Grade	3,378	Grade
		392	LL			11,667	2nd
		1,659	Total			15,045	Total
		Grade				*Grade*	
RENT PER SF		$289.86	1-5	$250.00	1	$540.00	1
		$318.84	6-10	% incr./yr.	2-10	% incr./yr.	2-10
FREE RENT(MONTHS)	6	4		6		13	
WORKLETTER (PSF)	$0.00	$0.00		$0.00		$0.00	
ADJUSTMENTS							
RENT CONCESSIONS		$4.83		$0.00		($31.50)	
EFFECTIVE ADJUSTED RENT PER SF/GRADE LEVEL		$294.69		$250.00		$508.50	
MONTHS FROM VALUE DATE		4		8		8	
TIME (MARKET CONDITIONS)		0.0%		0.0%		0.0%	
TIME ADJUSTED RENT PER SF		$294.69		$250.00		$508.50	
LOCATION		0%		0%		0%	
QUALITY		20%		25%		-5%	
SIZE		-5%		-5%		0%	
CORNER / FRONTAGE		35%		35%		-5%	
TOTAL ADJUSTMENT		50%		55%		-10%	
INDICATED RENT PER SF		**$442.03**		**$387.50**		**$457.65**	

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COMPARABLE RETAIL RENTS AND ADJUSTMENTS

	SUBJECT	RENTAL 4		RENTAL 5		RENTAL 6	
ADDRESS	1290 Sixth Avenue	One Bryant Park		1211 Sixth Avenue		40 West 55th Street	
	B/w 51st & 52nd Sts.	B/w 42nd & 43rd Sts.		B/w 47th & 48th Sts.		B/w 5th & 6th Aves.	
	New York City	New York City		New York City		New York City	
TENANT NAME		Starbucks		FedEx Office & Print Service		Mitsosa	
FRONTAGE		43rd Street		47th Street		55th Street	
BEGINNING DATE	November 2012	March 2011		November 2011		June 2011	
TERM		10		10		12	
LEASE TYPE	Gross	Gross		Gross		Gross	
TENANT SIZE		1,192	Grade	4,400	Grade	1,152	Grade
RENT PER SF		$200.00	1	$125.00	1	$141.00	1
		% incr./yr.	2-10	$136.36	6	2.5% incr./yr.	2-12
FREE RENT(MONTHS)	6	6		6		4.5	
WORKLETTER (PSF)	$0.00	$0.00		$0.00		$0.00	
ADJUSTMENTS							
RENT CONCESSIONS		$0.00		$0.00		$1.47	
EFFECTIVE ADJUSTED RENT PER SF/GRADE LEVEL		$200.00		$125.00		$142.47	
MONTHS FROM VALUE DATE		20		12		17	
TIME (MARKET CONDITIONS)		0.0%		0.0%		0.0%	
TIME ADJUSTED RENT PER SF		$200.00		$125.00		$142.47	
LOCATION		0%		0%		0%	
QUALITY		0%		0%		5%	
SIZE		0%		5%		-5%	
CORNER / FRONTAGE		-15%		10%		0%	
TOTAL ADJUSTMENT		-15%		15%		0%	
INDICATED RENT PER SF		**$170.00**		**$143.75**		**$142.47**	

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RETAIL LEASES IN THE BUILDING

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

1290 AVENUE OF THE AMERICAS
RETAIL LEASES

No.	Tenant	Floors	Area (SF)	Begin Date	End Date	Yr/Rent		Base Year/Concessions	
1	JPMorgan Chase	Part Grade	22,148	Mar-12	Apr-18		$59.97	Tax Base:	2003
						(05/13)	$66.94	Operating Base:	2003
								Electric:	None
								Free Rent:	N/A
								Work letter:	N/A
2	Duane Reade	Part Grade	4,126	May-90	May-20		$141.15	Tax Base:	2005
						(06/15)	$158.09	Operating Base:	None
								Electric:	None
								Free Rent:	N/A
								Work letter:	N/A
		Part Grade	3,503	Aug-09	May-20		$120.06	Tax Base:	2009/10
						(03/15)	$138.07	Operating Base:	2009
						(03/20)	$158.78	Electric:	None
								Free Rent:	N/A
								Work letter:	N/A
		Part Grade	2,494	Sep-09	May-20		$120.06	Tax Base:	2009/10
						(03/15)	$138.07	Operating Base:	2009
						(03/20)	$158.78	Electric:	None
								Free Rent:	N/A
								Work letter:	N/A
3	TD Bank	Part Grade	3,555	Nov-12	Oct-27		$500.00	Tax Base:	2012/13
								Operating Base:	NNN
								Electric:	None
								Free Rent:	8 Mos.
								Work letter:	$70.32/SF
4	Columbia University	Part Grade	3,659	May-12	Jan-37		$100.00	Tax Base:	2012/13
						(02/17)	$110.00	Operating Base:	None
						(02/22)	$120.00	Electric:	None
						(02/27)	$130.00	Free Rent:	9.5 Mos.
						(02/32)	$140.00	Work letter:	N/A
5	Sovereign Bank	Part Grade	3,504	Nov-08	May-24		$450.00	Tax Base:	2009/10
						(05/14)	$517.50	Operating Base:	NNN
						(05/19)	$595.13	Electric:	None
								Free Rent:	N/A
								Work letter:	N/A
6	One BCJ Corp	Part Grade	2,900	Apr-02	Nov-17		$93.51	Tax Base:	2002
						(12/12)	3.0% Inc/Yr	Operating Base:	None
								Electric:	None
								Free Rent:	N/A
								Work letter:	N/A
7	Teresa's Gourmet Coffee	Part Grade	2,201	Nov-94	Jun-20		$150.22	Tax Base:	2004/05
						(07/14)	$172.75	Operating Base:	NNN
						(07/17)	$198.66	Electric:	None
								Free Rent:	N/A
								Work letter:	N/A
8	47Th St United Empire	Part Grade	2,191	Aug-95	Jul-15		$136.13	Tax Base:	2005
								Operating Base:	2005
								Electric:	None
								Free Rent:	N/A
								Work letter:	N/A
9	Bread Market	Part Grade	1,712	Dec-96	Dec-18		$115.65	Tax Base:	2005/06
						(01/13)	$130.10	Operating Base:	2006
						(01/16)	$146.36	Electric:	None
								Free Rent:	N/A
								Work letter:	N/A
10	Starbucks Corp	Part Grade	1,500	Mar-12	Jul-22		$100.00	Tax Base:	2011/12
						(08/17)	$110.00	Operating Base:	NNN
								Electric:	None
								Free Rent:	4 Mos.
								Work letter:	N/A
11	Earl of Sandwich	Part Grade	1,278	May-11	Aug-21		$125.00	Tax Base:	NNN
						(09/14)	$137.50	Operating Base:	NNN
						(09/17)	$151.25	Electric:	None
						(09/20)	$166.38	Free Rent:	N/A
								Work letter:	N/A

The property is leased to 11 retail tenants located along three street frontages. There are two retail spaces along Avenue of the Americas; the retail space on the corner of West 51st Street and Avenue of the Americas is leased to Sovereign Bank (3,504 square feet). The lease with Sovereign Bank commenced in November 2008 for a 15 year term. The initial contract rent is $450.00 per square foot with subsequent 15 percent increases every 5 years. There is a pending lease for the retail space on the corner of West 52nd Street and Avenue of the Americas with TD Bank (3,555± square feet). The initial contract rent for the $500.00 per square foot. The tenant will receive 8 months of free rent and $70.32 per square foot of tenant improvements.

The retail space along West 51st Street is leased to three tenants; Duane Reade (10,123 square feet); Teresa's Gourmet Coffee (2,201 square feet); and Columbia University (3,659 square feet). The lease with Duane Reade original commenced in May 1990. In 2009 Duane Reade expanded in an additional 5,997 square feet. The lease with Duane Reade expires in 2020 and has a current weighted contract rent of $128.66 per square foot. The retail space occupied by Columbia will be used as a separate entrance and greeting area for the office space on the 2nd and 3rd floors. The lease with Columbia commenced in May 2012 for a 25 year term with a contract rent of $100.00 per square foot. The Teresa's Gourmet Coffee commenced in November 1994 and expires in June 2020. The current contract rent for Teresa's Gourmet Coffee is $150.22 per square foot.

The retail space along West 52nd Street is leased to five tenants; One BCJ Corp (2,900 square feet); 47th St United Empire (2,191 square feet); Bread Market (1,712 square feet); Starbucks Corporation (1,500 square feet); and Earl of Sandwich (1,278± square feet). The most recent lease is with Starbucks Corp, which commenced in March 2012 for a 10 year term. The Starbucks Corporation contract rent is $100.00 per square foot. The remaining leases commenced from August 1995 through May 2012 and reflect current contract rents from $93.51 to $125.00 per square foot.

In addition, there is one large, throughblock, side street retail space that is leased to JPMorgan Chase (22,148 square feet). The renewal with JP Morgan commenced in March 2012 for 6 year term. The current contract rent of JPMorgan Chase is $59.97 per square foot.

There is one vacant retail space along the West 52nd Street side of the building totaling 3,509± square feet that is available for lease. The retail space in the property totals 58,280± prior to remeasurement and 56,208 square feet remeasurement.

RETAIL MARKET RENTAL RATE CONCLUSION

The adjusted comparable rentals range from $354.00 to $457.65 with an average of $415.51 per square foot. This compares with the subject's retail leases, which produce a weighted average rent of $82.33 per square foot for the ground floor. Overall, we believe the average retail rents in the subject property are below market.

RETAIL MARKET RENT SUMMARY					
Tenant	**Remeasured Area/SF**		**Market Rent/SF**		**Total Rent**
Sixth Avenue Frontage					
Sovereign Bank	3,516	@	$450.00	=	$1,582,200
TD Bank	3,555	@	$450.00	=	$1,599,750
51st Street Frontage					
Duane Reade	9,830	@	$150.00	=	$1,474,500
Columbia University	3,769	@	$150.00	=	$565,350
Teresa's Gourmet Coffee	2,101	@	$150.00	=	$315,150
52nd Street Frontage					
One BCJ Corp	2,469	@	$150.00	=	$370,350
47Th St United Empire	2,100	@	$150.00	=	$315,000
Bread Market	1,675	@	$150.00	=	$251,250
Starbucks Corp	1,460	@	$150.00	=	$219,000
Earl of Sandwich	1,278	@	$150.00	=	$191,700
To-Be-Leased	3,509	@	$150.00	=	$526,350
Mid Block Large					
JPMorgan Chase	20,946	@	$100.00	=	$2,094,600
Sixth Avenue Frontage	**7,071**	**@**	**$450.00**	**=**	**$3,181,950**
Side Street Frontage	**28,191**	**@**	**$150.00**	**=**	**$4,228,650**
Side Street Frontage (Large)	**20,946**	**@**	**$100.00**	**=**	**$2,094,600**
Total	**56,208**		**$169.11**		**$9,505,200**

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 for the Avenue of the Americas grade retail space is $450.00 per square foot. Market rent for West 51st and West 52nd street retail space is estimated at $150.00 per square foot. Market rent for large throughblock space is estimated to be $100 per square foot. The discount of $50.00 of the large throughblock space when compared to our side street estimated market rent is considered reasonable given that the large retail space is 200.83 long. A summary of the market rents is provided in the following table.

RETAIL MARKET RENT	
TYPE SPACE	**RENT/SF**
Avenue of the Americas	$450.00/sf
West 51st Street:	$150.00/sf
West 52nd Street":	$150.00/sf
Side Street Large:	$100.00/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 step-ups of 10% are assumed.

MARKET RENTAL RATE – STORAGE SPACE

1290 Avenue of the Americas contains storage space in the below grade concourse and sub-concourse levels, and portions of the upper floors of the building. The property contains 101,727± remeasured square feet of storage space. There are 17 vacant storage spaces on the basement and sub-basement level totaling 29,135± square feet available for lease. The balance of the storage space is leased to several of the office tenants including Morrison & Foerster, AXA Equitable, Cushman Wakefield, Warner Music, Brian Cave, Columbia University, Gleacher & Co., JPMorgan Chase, Duane Reade and ABN Amro N America who generally pay reasonable rents. Competitive rates for storage space in the Plaza Office District range from $25.00 to $35.00 per square foot. We have assigned a market rent to the storage space of $25.00 per square foot gross in our cash flow projection.

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

The above estimated market rents assume the following concession package.

STORAGE TENANTS		
	FREE RENT	TENANT IMPROVEMENTS
New Leases	6 months	None
Renewing Leases	3 months	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 (greater than 25,000 square feet) and minor (less than 25,000 square feet). Lease term, work letter and free rent vary based upon size. Typical office, retail and storage leases are ten 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 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 typically exercised. Furthermore, the leasing commissions and work letters are at the standard schedule for a renewal tenant. In our analysis, we have not exercised any renewal options.

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 office and storage 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 tenants. We have assumed 6 months of free rent for new 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.

MISCELLANEOUS INCOME

Sources of miscellaneous income for the property include additional charges from a variety of tenant services including overtime HVAC and condenser water charges. Our estimate of miscellaneous income in year one of our cash flow projection totals $2,024,222 based on the 2012 budget. Our estimate of miscellaneous income is reasonable considering miscellaneous revenue figures from competitive buildings. These figures based on the 2012 budget are summarized as follows:

SOURCE	2012 AMOUNT
Service Recovery Income	$2,024,222
Total	$2,024,222

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 current leases in the subject property are gross leases that 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 submetered basis billed monthly.

ABSORPTION OF VACANT SPACE

There are two vacant office spaces within the property on the 5th and 9th floors totaling 47,774± square feet. In addition, there is one vacant retail space within the property totaling 3,509± square feet. There are 17 vacant storage spaces on the basement and sub-basement level totaling 29,135± square feet available for lease. In our analysis, we have assumed that the space will be leased by November 2013. The lease-up of this vacant space has little 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 Plaza District Office Submarket Analysis section of this report, were that ten 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	1095 Avenue of the Americas	1 300 000	4 363	0	99 66%	99 66%	$95 00	$95 00
2	1114 Avenue of the Americas	1 310 000	131 397	0	89 97%	89 97%	$80 00	$105 00
3	1177 Avenue of the Americas	960.050	190.419	15.953	80.17%	78.50%	$66.00	$85.00
4	1185 Avenue of the Americas	1 000 000	54 850	44 959	94 52%	90 02%	$65 00	$70 00
5	1221 Avenue of the Americas	2 200 000	96 614	0	95 61%	95 61%	$85 00	$85 00
6	1251 Avenue of the Americas	1 893 652	132 255	27 580	93 02%	91 56%	$62 00	$88 00
7	1271 Avenue of the Americas	1.573.501	47.530	371.915	96.98%	73.34%	$70.00	$100.00
8	1285 Avenue of the Americas	1 473 950	0	0	100 00%	100 00%	N/A	N/A
9	1301 Avenue of the Americas	1.764.411	95.219	69 006	94 60%	90 69%	N/A	N/A
10	1345 Avenue of the Americas	1 640 000	0	138 031	100 00%	91 58%	N/A	N/A
	TOTAL	**15,115,564**	**752,647**	**667,444**				
	AVERAGE	**1,511,556**	**75,265**	**66,744**	**95.02%**	**90.61%**	**$62.00**	**$105.00**

In our judgment, the subject property is at least as appealing to tenants as these competitive properties and should exhibit a stabilized occupancy averaging near 95 percent. This is consistent with the implied overall occupancy rate of the subject property over the holding period of 96.43 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.

MIDTOWN LEASING ACTIVITY

Quarterly leasing reached nearly 3.2 million square feet bringing the year to date total to 6.5 million square feet. Although new leasing activity is 42 percent lower than a year ago, renewal activity was exceptionally strong accounting for close to 33 percent of all activity, up from 20 percent a year ago. The largest transactions in the second quarter were the renewal and expansion of Viacom International for 1.6 million square feet at 1515 Broadway followed by the renewal of Citibank for 475,000 square feet at 601 Lexington Avenue. Of the top ten Midtown leases 100,000 square feet and larger signed this year, nine consisted of renewals or renewal expansions.

MIDTOWN MANHATTAN OVERALL ABSORPTION
2002 – 2012 2Q

LEASE UP ASSUMPTIONS

In our analysis, we have assumed that the 80,418± square feet of vacant space is leased over a 12-month absorption period from November 2012. The following table summarizes our lease-up and absorption forecast.

SUMMARY OF VACANT SPACE ABSORPTION			
FLOOR/SUITE	TYPE	START OF LEASE	SQUARE FEET
S-Bsmt	Storage	Feb-13	497
S-Bsmt	Storage	Feb-13	497
S-Bsmt	Storage	Feb-13	826
S-Bsmt	Storage	Feb-13	1,509
S-Bsmt	Storage	Feb-13	2,543
S-Bsmt	Storage	Feb-13	3,832
S-Bsmt	Storage	Feb-13	3,888
S-Bsmt	Storage	Feb-13	790
Bsmt	Storage	Feb-13	1,214
Bsmt	Storage	Feb-13	971
Bsmt	Storage	May-13	3,968
Bsmt	Storage	May-13	3,569
Bsmt	Storage	May-13	938
Bsmt	Storage	May-13	216
Bsmt	Storage	May-13	984
Bsmt	Storage	May-13	1,809
Bsmt	Storage	May-13	1,084
Grade	Retail	May-13	3,509
502	Office	Aug-13	27,698
905	Office	Nov-12	20,076
Total			**80,418**

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. Our estimated vacancy/global credit loss provision applied to the gross rental income is estimated throughout the holding period at zero for credit quality tenants (AXA Equitable, Microsoft, Warner Music, Columbia University, JPMorgan Chase, Duane Reade, TD Bank and Sovereign Bank) and 2.00 percent for other 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 97.02 percent. Including our overall vacancy/global credit loss allowance estimated at zero for credit quality tenants (AXA Equitable, Microsoft, Warner Music, Columbia University, JPMorgan Chase, Duane Reade, TD Bank and Sovereign Bank) and 2.00 percent for other tenants, the implied overall occupancy rate of the subject property over the holding period is 95.92 percent, which is in line with the actual historical occupancy levels of competing buildings over the last several years.

Operating Expenses

We have analyzed the actual operating expenses for 2009, 2010 and 2011; and budgeted expenses for 2012 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 2009		Actual CY 2010		Actual CY 2011		Budget CY 2012		Budget Variance		C&W Forecast CY 2012	
	Total	Per SF	Total	Per SF	Total	Per SF	Total	Per SF	Total	PSF	Total	Per SF
POTENTIAL GROSS REVENUE												
Base Rental Revenue	$98,940,201	$46.82	$108,429,634	$51.31	$104,454,094	$49.43	$135,317,991	$64.03	$5,459,777	$2.58	$140,777,768	$66.62
Base Rent Abatements	(15,822,767)	(7.49)	(4,525,502)	(2.14)	(2,127,413)	(1.01)	(24,705,450)	(11.69)	18,636,642	8.82	(6,068,808)	-2.87
Real Estate Taxes	7,051,808	3.34	6,981,192	3.30	6,406,364	3.03	3,494,461	1.65	(643,388)	(0.30)	2,851,073	1.35
Operating Expenses	12,460,727	5.90	12,623,052	5.97	12,736,392	6.03	3,190,571	1.51	(100,700)	(0.05)	3,089,871	1.46
Tenant Electric	0	0.00	0	0.00	0	0.00	5,021,749	2.38	0	0.00	5,021,749	2.38
Miscellaneous Income	865,301	0.41	114,318	0.05	226,503	0.11	2,024,222	0.96	0	0.00	2,024,222	0.96
TOTAL POTENTIAL GROSS REVENUE	$103,495,270	$48.97	$123,622,694	$58.50	$121,695,940	$57.59	$124,343,544	$58.84	$23,352,331	$11.05	$147,695,875	$69.89
Vacancy and Collection Loss	0	0.00	0	0.00	0	0.00	0	0.00	(1,325,100)	(0.63)	(1,325,100)	(0.63)
EFFECTIVE GROSS REVENUE	$103,495,270	$48.97	$123,622,694	$58.50	$121,695,940	$57.59	$124,343,544	$58.84	$22,027,231	$10.42	$146,370,775	$69.26
OPERATING EXPENSES												
Payroll and Cleaning	4,702,397	$2.22	5,254,047	$2.49	5,547,520	$2.63	5,811,422	$2.75	0	$0.00	$5,811,422	$2.75
Security	1,728,656	0.82	1,975,318	0.93	1,938,152	0.92	2,237,813	1.06	0	0.00	2,237,813	1.06
Casualty, Liability and Terrorism Insurance	647,834	0.31	708,634	0.34	603,068	0.29	613,352	0.29	0	0.00	613,352	0.29
Electricity	7,954,408	3.76	7,404,820	3.50	7,002,231	3.31	7,810,611	3.70	0	0.00	7,810,611	3.70
Other Utilities	2,736,596	1.29	2,989,741	1.41	2,881,735	1.36	3,210,212	1.52	0	0.00	3,210,212	1.52
Repairs and Maintenance	3,618,454	1.71	4,088,871	1.93	3,880,112	1.84	4,041,101	1.91	0	0.00	4,041,101	1.91
General and Administrative	899,317	0.43	2,511,468	1.19	3,548,135	1.68	2,544,353	1.20	0	0.00	2,544,353	1.20
Management Fee	2,569,325	1.22	3,104,342	1.47	3,117,126	1.48	2,486,871	1.18	(1,852,893)	(0.88)	633,978	0.30
Subtotal	$24,856,987	$11.76	$28,037,241	$13.27	$28,518,079	$13.49	$28,755,735	$13.61	($1,852,893)	($0.88)	$26,902,842	$12.73
Real Estate Taxes	$27,634,588	$13.08	$27,894,604	$13.20	$27,309,209	$12.92	$27,480,732	$13.00	($3,705,787)	($1.75)	$27,593,873	$13.06
TOTAL EXPENSES	$52,491,575	$24.84	$55,931,845	$26.47	$55,827,288	$26.42	$56,236,467	$26.61	($5,558,680)	($2.63)	$54,496,715	$25.79
NET OPERATING INCOME	$51,003,695	$24.14	$67,690,849	$32.03	$65,868,652	$31.17	$68,107,077	$32.23	$27,585,911	$13.05	$91,874,060	$43.48
CAPITAL EXPENDITURES												
Tenant Improvements	$0	$0.00	$0	$0.00	$0	$0.00	$3,310,400	$1.57	$1,579,950	$0.75	$4,890,350	$2.31
Leasing Commissions	0	0.00	0	0.00	0	0.00	2,378,834	1.13	1,874,331	0.89	4,253,165	2.01
Capital Improvements	0	0.00	0	0.00	0	0.00	18,180,132	8.60	0	0.00	18,180,132	8.60
Capital Reserves	0	0.00	0	0.00	0	0.00	0	0.00	633,978	0.30	633,978	0.30
TOTAL CAPITAL EXPENDITURES	$0	$0.00	$0	$0.00	$0	$0.00	$23,869,366	$11.30	$4,088,259	$1.93	$27,957,625	$13.23
CASH FLOW BEFORE DEBT SERVICE	$51,003,695	$24.14	$67,690,849	$32.03	$65,868,652	$31.17	$44,237,711	$20.93	$23,497,652	$11.12	$63,916,435	$30.25
Net Rentable Area:	2,113,259	Square Feet										

CUSHMAN & WAKEFIELD
VALUATION & ADVISORY

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 2012.

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, along with contract cleaning costs and supplies. This expense was $4,702,397 in 2009, $5,254,047 in 2010 and $5,547,520 in 2011. The 2012 budget is $5,811,422. The 2012 budget is considered to be reasonable based on our analysis of comparable buildings that reflect costs ranging from $2.64 to $7.98 per square foot. The higher end of this range reflects buildings that include the cost of cleaning service contracts in this category. The subject property does not include other cleaning contracts within this expense category. Our forecast of calendar year 2012 expense is $5,811,422 or $2.75 per square foot.
Security:	This expense includes service contracts related to security and fire safety maintenance. This expense was $1,728,656 in 2009, $1,975,318 in 2010 and $1,938,152 in 2011. The 2012 budget is $2,237,813. Competitive buildings reflect costs ranging from $0.31 to $1.87 per square foot. Our forecast of calendar year 2012 expense is $2,237,813 or $1.06 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 2009 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. 1290 Avenue of the Americas is currently covered with a terrorism insurance policy.

The insurance expense for 1290 Avenue of the Americas was $647,834 in 2009, $708,634 in 2010 and $603,068 in 2011. The 2012 budget is $613,352, which includes property policy, general liability and umbrella policy, fire and extended liability coverage, and terrorism coverage. An analysis of competitive buildings reflects costs ranging from $0.66 to $1.82 per square foot. Our forecast of calendar year 2012 expense is $613,352 or $0.29 per square foot, which **includes terrorism insurance**.

Electricity:

This expense includes electric for tenant space and common areas. The majority of the tenant spaces are billed for electrical consumption on a submetered basis. This expense was $7,954,408 in 2009, $7,404,820 in 2010 and $7,002,231 in 2011. The 2012 budget is $7,810,611. An analysis of competitive buildings reflects costs ranging from $1.21 to $4.84 per square foot. The lower end of this range reflects buildings that are directly metered for tenant electric consumption. Our forecast of calendar year 2012 expense is $7,810,611 or $3.70 per square foot.

Other Utilities:

This expense includes the cost of steam to heat the building, water charges and sewer rent. This expense was $2,736,596 in 2009, $2,989,741 in 2010 and $2,881,735 in 2011. The 2012 budget is $3,210,212, which is considered reasonable based on an analysis of competitive buildings that reflect costs ranging from $0.57 to $2.13 per square foot. Our forecast of calendar year 2012 expense is $3,210,212 or $1.52 per square foot.

Repairs and Maintenance:

This expense is related to the actual expenses for on-going maintenance costs including engineering and preventative maintenance costs. This expense was $3,618,454 in 2009, $4,088,871 in 2010 and $3,880,112 in 2011. The 2012 budget is $4,041,101. Competitive buildings reflect costs ranging from $1.59 to $5.07 per square foot. The higher end of this range reflects buildings that include the cost of other service contracts in this category. Our forecast of calendar year 2012 expense is $4,041,101 or $1.91 per square foot.

General and Administrative:

This expense includes costs for general and administrative expenses related to operating an office building including legal and professional fees. This expense was $899,317 in 2009, $2,511,468 in 2010 and $3,548,135 in 2011. The 2012 budget is $2,544,353. Competitive buildings reflect costs ranging from $0.09 to $1.40 per square foot. Our forecast of calendar year 2012 expense is $2,544,353 or $1.20 per square foot.

Management Fees:

Vornado Realty Trust currently acts as managing agent for the property. Management fees were $2,569,325 in 2009, $3,104,342 in 2010 and $3,117,126 in 2011. The 2012 budget is $2,486,871. 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 2012 expense is $633,978 or $0.30 per square foot.

Real Estate Taxes:

The calendar year 2012 real estate taxes are projected to be $27,593,873 or $13.06 per square foot of rentable area ($14.56 per square foot of the assessor's gross building area of 1,897,471± square feet). This represents our forecast of calendar year 2012 real estate 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 2012 are $26,902,842 or $12.73 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	1133 Sixth Avenue		1177 Sixth Avenue		1221 Sixth Avenue	
Year Built	1969		1988		1969	
Rentable Area	1,118,693		1,021,523		2,690,472	
Source (Year)	Budget CY 2011		Budget CY 2012		Budget CY 2012	
	Annual Amount	Per SF	Annual Amount	Per SF	Annual Amount	Per SF
POTENTIAL GROSS REVENUE						
Base Rental Revenue	$50,095,199	$44.78	$46,877,864	$45.89	$133,032,431	$49.45
Base Rent Abatements	($4,553,811)	($4.07)	$0	$0.00	$0	$0.00
Real Estate Taxes	$4,072,927	$3.64	$2,139,633	$2.09	$14,249,799	$5.30
Operating Expenses	$4,101,584	$3.67	$1,356,939	$1.33	$10,519,515	$3.91
Tenant Electric	$1,140,222	$1.02	$1,424,815	$1.39	$0	$0.00
Miscellaneous Income	$119,762	$0.11	$1,576,494	$1.54	$10,853,000	$4.03
TOTAL POTENTIAL GROSS REVENUE	$54,975,883	$49.14	$53,375,745	$52.25	$168,654,745	$62.69
Vacancy and Collection Loss	($854,775)	($0.76)	$0	$0.00	$0	$0.00
EFFECTIVE GROSS REVENUE	$54,121,108	$48.38	$53,375,745	$52.25	$168,654,745	$62.69
OPERATING EXPENSES						
Payroll and Cleaning	$4,274,287	$3.82	$4,215,854	$4.13	$10,101,000	$3.75
Security	$1,606,433	$1.44	$1,220,421	$1.19	$4,677,000	$1.74
Casualty, Liability and Terrorism Insurance	$2,038,812	$1.82	$990,420	$0.97	$2,878,000	$1.07
Electricity	$1,348,892	$1.21	$2,820,339	$2.76	$4,138,045	$1.54
Other Utilities	$1,702,897	$1.52	$825,000	$0.81	$2,973,000	$1.11
Repairs and Maintenance	$2,138,852	$1.91	$2,356,700	$2.31	$13,628,000	$5.07
General and Administrative	$532,468	$0.48	$1,429,044	$1.40	$252,000	$0.09
Management Fee	$2,706,055	$2.42	$1,334,237	$1.31	$3,169,804	$1.18
Subtotal	$16,348,695	$14.61	$15,192,015	$14.87	$41,816,849	$15.54
Real Estate Taxes	$11,415,642	$10.20	$12,491,226	$12.23	$37,260,000	$13.85
TOTAL EXPENSES	$27,764,337	$24.82	$27,683,241	$27.10	$79,076,849	$29.39
NET OPERATING INCOME	$26,356,771	$23.56	$25,692,504	$25.15	$89,577,896	$33.29
CAPITAL EXPENDITURES						
Tenant Improvements	$1,304,808	$1.17	$0	$0.00	$17,152,322	$6.38
Leasing Commissions	$5,796,035	$5.18	$0	$0.00	$4,122,614	$1.53
Capital Improvements	$10,926,522	$9.77	$0	$0.00	$8,692,290	$3.23
Capital Reserves	$0	$0.00	$0	$0.00	$0	$0.00
TOTAL CAPITAL EXPENDITURES	$18,027,365	$16.11	$0	$0.00	$29,967,226	$11.14
CASH FLOW BEFORE DEBT SERVICE	$8,329,406	$7.45	$25,692,504	$25.15	$59,610,670	$22.16

COMPARABLE OFFICE BUILDING EXPENSE ANALYSIS (CONTINUED)

Property Name	1271 Sixth Avenue		1285 Sixth Avenue		1301 Sixth Avenue	
Year Built	1959		1960		1963	
Rentable Area	2,123,178		1,759,491		1,767,204	
Source (Year)	Budget CY 2011		Budget CY 2012		Budget CY 2012	
	Annual Amount	Per SF	Annual Amount	Per SF	Annual Amount	Per SF
POTENTIAL GROSS REVENUE						
Base Rental Revenue	$90,396,635	$42.58	$88,570,648	$50.34	$92,330,915	$52.25
Base Rent Abatements	$0	$0.00	($11,143,293)	($6.33)	$0	$0.00
Real Estate Taxes	$13,120,151	$6.18	$5,478,485	$3.11	$7,778,523	$4.40
Operating Expenses	$11,329,824	$5.34	$3,318,822	$1.89	$9,086,672	$5.14
Tenant Electric	$5,441,000	$2.56	$1,300,870	$0.74	$6,121,778	$3.46
Miscellaneous Income	$4,067,000	$1.92	$6,407,539	$3.64	$1,434,433	$0.81
TOTAL POTENTIAL GROSS REVENUE	$124,354,610	$58.57	$93,933,071	$53.39	$116,752,320	$66.07
Vacancy and Collection Loss	$0	$0.00	($113,561)	($0.06)	$0	$0.00
EFFECTIVE GROSS REVENUE	$124,354,610	$58.57	$93,819,510	$53.32	$116,752,320	$66.07
OPERATING EXPENSES						
Payroll and Cleaning	$5,598,000	$2.64	$5,671,273	$3.22	$7,387,471	$4.18
Security	$3,979,000	$1.87	$630,141	$0.36	$1,729,585	$0.98
Casualty, Liability and Terrorism Insurance	$2,476,000	$1.17	$1,154,077	$0.66	$1,554,749	$0.88
Electricity	$8,837,013	$4.16	$8,016,151	$4.56	$8,558,743	$4.84
Other Utilities	$2,331,000	$1.10	$1,118,462	$0.64	$3,549,472	$2.01
Repairs and Maintenance	$7,775,000	$3.66	$5,003,328	$2.84	$2,814,383	$1.59
General and Administrative	$1,118,018	$0.53	$1,478,906	$0.84	$837,368	$0.47
Management Fee	$2,296,932	$1.08	$528,238	$0.30	$1,900,284	$1.08
Subtotal	$34,410,963	$16.21	$23,600,576	$13.41	$28,332,057	$16.03
Real Estate Taxes	$27,874,000	$13.13	$23,843,808	$13.55	$31,390,015	$17.76
TOTAL EXPENSES	$62,284,963	$29.34	$47,444,384	$26.96	$59,722,072	$33.79
NET OPERATING INCOME	$62,069,647	$29.23	$46,375,126	$26.36	$57,030,248	$32.27
CAPITAL EXPENDITURES						
Tenant Improvements	$0	$0.00	$6,711,236	$3.81	$0	$0.00
Leasing Commissions	$0	$0.00	$996,387	$0.57	$0	$0.00
Capital Improvements	$3,700,000	$1.74	$2,824,736	$1.61	$0	$0.00
Capital Reserves	$0	$0.00	$176,079	$0.10	$0	$0.00
TOTAL CAPITAL EXPENDITURES	$3,700,000	$4.63	$10,708,438	$13.40	$0	$0.00
CASH FLOW BEFORE DEBT SERVICE	$58,369,647	$27.49	$35,666,688	$20.27	$57,030,248	$32.27

COMPARABLE OFFICE BUILDING EXPENSE ANALYSIS (CONTINUED)

Property Name	1325 Sixth Avenue		1345 Sixth Avenue		31 West 52nd Street	
Year Built	1988		1969		1987	
Rentable Area	798,910		2,015,396		812,730	
Source (Year)	Budget CY 2012		Budget CY 2012		Budget CY 2012	
	Annual Amount	Per SF	Annual Amount	Per SF	Annual Amount	Per SF
POTENTIAL GROSS REVENUE						
Base Rental Revenue	$34,405,319	$43.07	$119,611,271	$59.35	$49,334,837	$60.70
Base Rent Abatements	$2,654,776	$3.32	$0	$0.00	($1,016,507)	($1.25)
Real Estate Taxes	$5,688,069	$7.12	$14,508,424	$7.20	$227,939	$0.28
Operating Expenses	$911,184	$1.14	$12,911,598	$6.41	$1,784,887	$2.20
Tenant Electric	$1,400,000	$1.75	$6,198,830	$3.08	$2,646,997	$3.26
Miscellaneous Income	$0	$0.00	$6,658,500	$3.30	$825,133	$1.02
TOTAL POTENTIAL GROSS REVENUE	$45,059,348	$56.40	$159,888,623	$79.33	$53,803,286	$66.20
Vacancy and Collection Loss	$0	$0.00	$0	$0.00	$0	$0.00
EFFECTIVE GROSS REVENUE	$45,059,348	$56.40	$159,888,623	$79.33	$53,803,286	$66.20
OPERATING EXPENSES						
Payroll and Cleaning	$4,000,000	$5.01	$16,088,100	$7.98	$5,118,379	$6.30
Security	$250,000	$0.31	$1,086,510	$0.54	$1,436,000	$1.77
Casualty, Liability and Terrorism Insurance	$575,000	$0.72	$1,558,000	$0.77	$571,444	$0.70
Electricity	$1,160,000	$1.45	$8,192,670	$4.07	$3,552,752	$4.37
Other Utilities	$980,000	$1.23	$4,299,830	$2.13	$460,307	$0.57
Repairs and Maintenance	$1,300,000	$1.63	$4,127,800	$2.05	$1,545,000	$1.90
General and Administrative	$680,000	$0.85	$1,264,383	$0.63	$574,946	$0.71
Management Fee	$242,500	$0.30	$563,880	$0.28	$822,249	$1.01
Subtotal	$9,187,500	$11.50	$37,181,173	$18.45	$14,081,077	$17.33
Real Estate Taxes	$13,384,732	$16.75	$29,834,803	$14.80	$10,089,365	$12.41
TOTAL EXPENSES	$22,572,232	$28.25	$67,015,976	$33.25	$24,170,442	$29.74
NET OPERATING INCOME	$22,487,116	$28.15	$92,872,647	$46.08	$29,632,844	$36.46
CAPITAL EXPENDITURES						
Tenant Improvements	$6,895,990	$8.63	$0	$0.00	$90,949	$0.11
Leasing Commissions	$5,279,979	$6.61	$428,703	$0.21	$70,452	$0.09
Capital Improvements	$0	$0.00	$3,726,400	$1.85	$412,000	$0.51
Capital Reserves	$157,566	$0.20	$978,743	$0.49	$0	$0.00
TOTAL CAPITAL EXPENDITURES	$12,333,535	$15.44	$5,133,846	$1.91	$573,401	$0.21
CASH FLOW BEFORE DEBT SERVICE	$10,153,581	$12.71	$87,738,801	$43.53	$29,059,443	$35.76

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COMPARABLE OFFICE BUILDING EXPENSE ANALYSIS (CONTINUED)						
Property Name Year Built Rentable Area	1290 Sixth Avenue 1963 2,113,259					
Source (Year)	Budget CY 2012		C&W Forecast FY 2012		Expense Comparables	
	Annual Amount	Per SF	Annual Amount	Per SF	Minimum Per SF	Maximum Per SF
POTENTIAL GROSS REVENUE						
Base Rental Revenue	$135,317,991	$64.03	$140,777,768	$66.62	$42.58	$60.70
Base Rent Abatements	($24,705,450)	($11.69)	($6,068,808)	($2.87)	($6.33)	$3.32
Real Estate Taxes	$3,494,461	$1.65	$2,851,073	$1.35	$0.28	$7.20
Operating Expenses	$3,190,571	$1.51	$3,089,871	$1.46	$1.14	$6.41
Tenant Electric	$5,021,749	$2.38	$5,021,749	$2.38	$0.00	$3.46
Miscellaneous Income	$2,024,222	$0.96	$2,024,222	$0.96	$0.00	$4.03
TOTAL POTENTIAL GROSS REVENUE	$124,343,544	$58.84	$147,695,875	$69.89	$49.14	$79.33
Vacancy and Collection Loss	$0	$0.00	($1,325,100)	($0.63)	($0.76)	$0.00
EFFECTIVE GROSS REVENUE	$124,343,544	$58.84	$146,370,775	$69.26	$48.38	$79.33
OPERATING EXPENSES						
Payroll and Cleaning	$5,811,422	$2.75	$5,811,422	$2.75	$2.64	$7.98
Security	$2,237,813	$1.06	$2,237,813	$1.06	$0.31	$1.87
Casualty, Liability and Terrorism Insurance	$613,352	$0.29	$613,352	$0.29	$0.66	$1.82
Electricity	$7,810,611	$3.70	$7,810,611	$3.70	$1.21	$4.84
Other Utilities	$3,210,212	$1.52	$3,210,212	$1.52	$0.57	$2.13
Repairs and Maintenance	$4,041,101	$1.91	$4,041,101	$1.91	$1.59	$5.07
General and Administrative	$2,544,353	$1.20	$2,544,353	$1.20	$0.09	$1.40
Management Fee	$2,486,871	$1.18	$633,978	$0.30	$0.28	$2.42
Subtotal	$28,755,735	$13.61	$26,902,842	$12.73	$11.50	$18.45
Real Estate Taxes	$27,480,732	$13.00	$27,593,873	$13.06	$10.20	$17.76
TOTAL EXPENSES	$56,236,467	$26.61	$54,496,715	$25.79	$24.82	$33.79
NET OPERATING INCOME	$68,107,077	$32.23	$91,874,060	$43.48	$23.56	$46.08
CAPITAL EXPENDITURES						
Tenant Improvements	$3,310,400	$1.57	$4,890,350	$2.31	$0.00	$8.63
Leasing Commissions	$2,378,834	$1.13	$4,253,165	$2.01	$0.00	$6.61
Capital Improvements	$18,180,132	$8.60	$18,180,132	$8.60	$0.00	$9.77
Capital Reserves	$0	$0.00	$633,978	$0.30	$0.00	$0.49
TOTAL CAPITAL EXPENDITURES	$23,869,366	$11.30	$27,957,625	$13.23	$0.00	$25.49
CASH FLOW BEFORE DEBT SERVICE	$44,237,711	$20.93	$63,916,435	$30.25	$7.45	$43.53

The nine expense comparables reflect a range of $11.50 to $18.45 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 $12.73 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
1133 Sixth Avenue	1969	1,118,693	Budget CY 2011	$14.61
1177 Sixth Avenue	1988	1,021,523	Budget CY 2012	$14.87
1221 Sixth Avenue	1969	2,690,472	Budget CY 2012	$15.54
1271 Sixth Avenue	1959	2,123,178	Budget CY 2011	$16.21
1285 Sixth Avenue	1960	1,759,491	Budget CY 2012	$13.41
1301 Sixth Avenue	1963	1,767,204	Budget CY 2012	$16.03
1325 Sixth Avenue	1988	798,910	Budget CY 2012	$11.50
1345 Sixth Avenue	1969	2,015,396	Budget CY 2012	$18.45
31 West 52nd Street	1987	812,730	Budget CY 2012	$17.33

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.

CAPITAL EXPENDITURES

The building is currently undergoing a $30 million renovation to the building entrances, lobby, and elevators, which is projected to be completed by the first quarter of 2013. This will include installation of new marble floors and walls with new lighting throughout. All 32 passenger cars will be modernized to include a state of the art destination dispatch system and new cab interiors. Finally a new three story storefront and plaza on the Sixth Avenue elevation will complement the scheme with new lobby entries and a modern canopy. Following is a summary of the capital improvement budget:

1290 Avenue of the Americas - Renovation Budget	
Item	**Amount**
Elevator Modernization (Schindler)	$6 075 000
Cab Allowance ($50k/cab)	$1 600 000
Lobby Renovation Budget (2 Story Storefront) - Includes 7% contingency	$19 227 057
Storefront premium	$500 000
Probes and Lobby Mockup	$149 649
Soft Costs	$1 500 000
Subtotal	**$29,051,706**
Contingency (5%)	$1 452 585
Total	**$30,504,291**
Spent to Date	$12 324 159
Outstanding Capital	**$18,180,132**

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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 2012 projection of $633,978 or $0.30 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 Date:	November 1, 2012
Reversion Year:	FY 2027 (15th fiscal year)
Vacancy & Collection Loss:	Zero (Credit Quality Tenants- AXA Equitable, Microsoft, Warner Music, Columbia University, JPMorgan Chase, Duane Reade, TD Bank and Sovereign Bank) and 2.00%(Other Tenants)
Consumer Price Index (CPI):	3.00%
Expense Growth Rate:	3.00%
Rates of Return	
Discount Rate:	7.00% (see Discount Rate Analysis)
Terminal Cap Rate:	5.00% (applied to reversion year net operating income)
Reversionary Sales Cost:	4.00% (includes brokerage, legal fees and estimated transfer taxes)
Indicated "As Is" Value:	$2,000,000,000
Indicated "Prospective" Value:	$2,300,000,000

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LEASING ASSUMPTIONS	MAJOR OFFICE TENANTS	MINOR OFFICE TENANTS	RETAIL TENANTS	STORAGE TENANTS
Market Rent per Square Foot	Floors 2-10 \$55.00/sf; Floors 11-16 \$70.00/sf; Floors 17-29 \$80.00/sf; Floors 30-43 \$95.00/sf	Floors 2-10 \$55.00/sf; Floors 11-16 \$70.00/sf; Floors 17-29 \$80.00/sf; Floors 30-43 \$95.00/sf	\$450.00/sf (Sixth Avenue); \$150.00/sf (51st & 52nd sts.); \$100.00/sf (Side street throughblock);	\$25.00/sf
Market Rent Growth Rate:	Zero (Yr.1); 3.00% (Yr.2); 7.00% (Yr.3); 10.00% (Yr.4); 7.00% (yr.5); 5.00% (Yr.6); and 3.00% (Thereafter)	Zero (Yr.1); 3.00% (Yr.2); 7.00% (Yr.3); 10.00% (Yr.4); 7.00% (yr.5); 5.00% (Yr.6); and 3.00% (Thereafter)	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	6	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 submetered basis 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.

1290 Avenue of the Americas
Market Value "As Is" on November 1, 2012
Cash Flow Analysis

	YEAR 1 FY 2013	YEAR 2 FY 2014	YEAR 3 FY 2015	YEAR 4 FY 2016	YEAR 5 FY 2017	YEAR 6 FY 2018	YEAR 7 FY 2019	YEAR 8 FY 2020	YEAR 9 FY 2021	YEAR 10 FY 2022	YEAR 11 FY 2023	YEAR 12 FY 2024	YEAR 13 FY 2025	YEAR 14 FY 2026	YEAR 15 FY 2027
POTENTIAL GROSS INCOME															
Base Rental Revenue	$140 777 768	$139 605 715	$148 730 172	$156 833 746	$156 641 019	$167 558 510	$170 708 402	$189 864 629	$191 847 197	$192 659 858	$195 506 762	$192 109 545	$206 143 821	$218 766 149	$221 646 477
Base Rent Abatements	($6 068 808)	($8 151 689)	($18 585 315)	($5 108 729)	($6 574 665)	($11 416 288)	($10 044 505)	($10 297 189)	($443 827)	($821 509)	($1 493 718)	($29 579 458)	($26 348 318)	($6 705 571)	($1 231 726)
BASE RENTAL INCOME	$134 708 960	$131 454 026	$130 144 857	$151 725 017	$150 066 354	$156 142 222	$160 663 897	$179 567 440	$191 403 370	$191 838 349	$194 013 044	$162 530 087	$179 795 503	$212 060 578	$220 414 751
Real Estate Taxes	$2 851 073	$3 841 311	$3 915 203	$5 678 042	$6 869 236	$7 770 427	$8 000 096	$8 547 225	$9 607 938	$10 623 557	$11 649 049	$9 593 578	$7 755 437	$8 136 518	$9 355 760
Operating Expenses	$3.087.444	$2.337.917	$1.750.430	$2.811.676	$3.168.096	$3.776.075	$4.115.314	$4.909.980	$5.832 976	$6 503.962	$7.214.485	$5.430 928	$4.668.113	$5.521.814	$6.453.278
Tenant Electric	$5.021.749	$5.172.402	$5.327.574	$5.487 401	$5 652.023	$5.821.584	$5.996.232	$6.176.119	$6.361 403	$6 552.244	$6.748 812	$6.951 276	$7.159.814	$7.374.608	$7.595.847
TOTAL REIMBURSEMENT REVENUE	$10.960.266	$11.351.630	$10.993 207	$13.977 119	$15 689.355	$17.368.086	$18.111.642	$19.633.324	$21.802 317	$23 679.763	$25.612 346	$21.975 782	$19.583.364	$21 032.940	$23.404.885
Add: Other Income	$2 024 222	$2 103 077	$2 166 169	$2 231 154	$2 298 089	$2 367 032	$2 438 043	$2 511 184	$2 586 520	$2 664 115	$2 744 038	$2 826 360	$2 911 150	$2 998 485	$3 088 439
POTENTIAL GROSS INCOME	$147 693 448	$144 908 733	$143 304 233	$167 933 290	$168 053 798	$175 877 340	$181 213 582	$201 711 948	$215 792 207	$218 182 227	$222 369 428	$187 332 229	$202 290 017	$236 092 003	$246 908 075
Less: Vacancy & Collection Loss	($1 478 612)	($1 467 323)	($1 447 115)	($1 715 960)	($1 756 750)	($1 921 358)	($1 756 222)	($2 087 840)	($2 323 174)	($2 333 367)	($2 358 714)	($2 401 871)	($1 970 880)	($2 521 570)	($2 696 665)
EFFECTIVE GROSS INCOME	$146 214 836	$143 441 410	$141 857 118	$166 217 330	$166 297 048	$173 955 982	$179 457 360	$199 624 108	$213 469 033	$215 848 860	$220 010 714	$184 930 358	$200 319 137	$233 570 433	$244 211 410
OPERATING EXPENSES															
Real Estate Taxes	$27 593.873	$29 703.407	$31 540 450	$33 411 263	$35 316.338	$36 821.666	$37 926.316	$39 064 105	$40 236 029	$41 443.109	$42.686 403	$43.966 995	$45.286 005	$46 644 585	$48.043 922
Operating Expenses	$26 902 842	$27 072 937	$27 840 487	$28 631 062	$29 443 552	$30 280 416	$31 142 385	$32 030 215	$32 944 677	$33 886 573	$33 370 531	$34 371 647	$35 402 794	$36 464 877	$37 558 824
TOTAL OPERATING EXPENSES	$54 496 715	$56 776 344	$59 380 937	$62 042 325	$64 759 890	$67 102 082	$69 068 701	$71 094 320	$73 180 706	$75 329 682	$76 056 934	$78 338 642	$80 688 799	$83 109 462	$85 602 746
NET OPERATING INCOME	$91 718 121	$86 665 066	$82 476 181	$104 175 005	$101 537 158	$106 853 900	$110 388 659	$128 529 788	$140 288 327	$140 519 178	$143 953 780	$106 591 716	$119 630 338	$150 460 971	$158 608 664
Per Square Foot	*$43.40*	*$41.01*	*$39.03*	*$49.30*	*$48.05*	*$50.56*	*$52.24*	*$60.82*	*$66.38*	*$66.49*	*$68.12*	*$50.44*	*$56.61*	*$71.20*	*$75.05*

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1290 Avenue of the Americas
Market Value "As Is" on May 1, 2012
Cash Flow Analysis

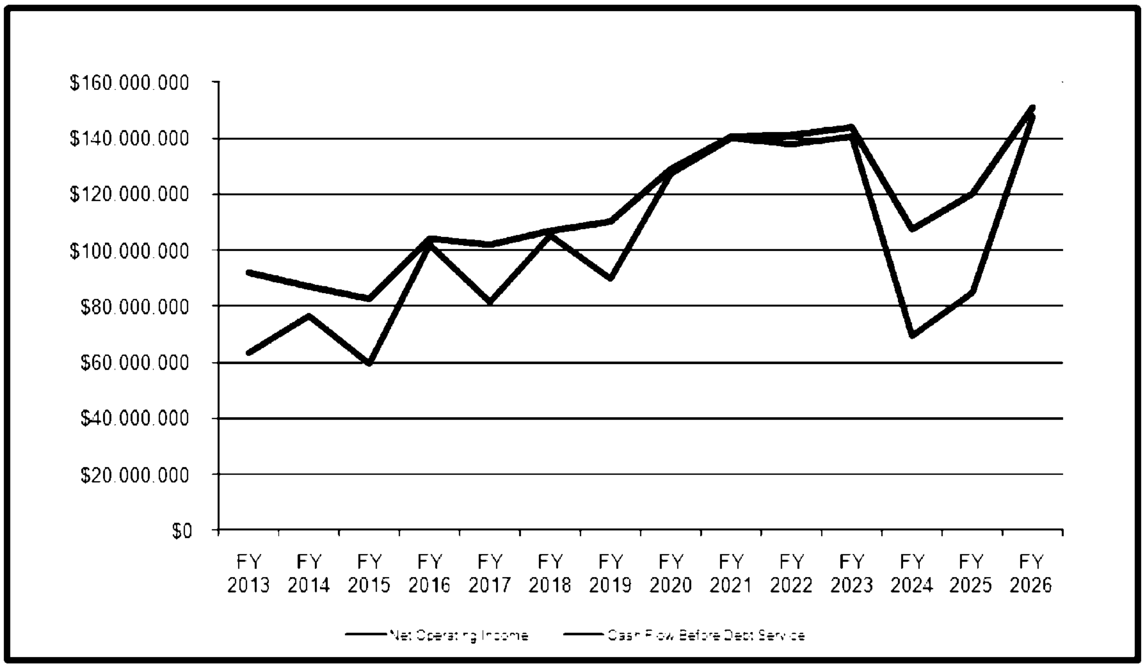
	YEAR 1 FY 2013	YEAR 2 FY 2014	YEAR 3 FY 2015	YEAR 4 FY 2016	YEAR 5 FY 2017	YEAR 6 FY 2018	YEAR 7 FY 2019	YEAR 8 FY 2020	YEAR 9 FY 2021	YEAR 10 FY 2022	YEAR 11 FY 2023	YEAR 12 FY 2024	YEAR 13 FY 2025	YEAR 14 FY 2026	YEAR 15 FY 2027
LEASING & CAPITAL COSTS															
Tenant Improvements	$4 890 350	$6 309 811	$11 328 475	$1 088 385	$10 303 342	$0	$8 787 455	$0	$0	$1 375 683	$0	$20 532 112	$18 538 592	$1 462 699	$0
Leasing Commissions	$4 253 165	$4 301 910	$10 977 370	$681 087	$9 370 714	$851 123	$11 002 504	$659 780	$0	$858 299	$551 306	$19 055 826	$15 512 215	$961 844	$0
Capital Improvements	$18 180.132	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Capital Reserves	$633 978	$652 997	$672 587	$692 765	$713 547	$734 954	$757 003	$779 713	$803 104	$827 197	$852 013	$877 573	$903 901	$931 018	$958 948
TOTAL LEASING & CAPITAL COSTS	$27 957 625	$11 264 718	$22 978 432	$2 462 237	$20 387 603	$1 586 077	$20 546 962	$1 439 493	$803 104	$3 061 179	$1 403 319	$40 465 511	$34 954 708	$3 355 561	$958 948
TOTAL CASH FLOW	$63 916.435	$75 578.175	$59 680 211	$101 898 310	$81 338.819	$105 478.763	$89 819.928	$127 324 577	$139 911 319	$137 881.500	$142.975 365	$66.584 169	$85.163 907	$147 587 023	$158.135 506
Annual Overall Capitalization Rate	4 59%	4 34%	4 13%	5 22%	5 09%	5 35%	5 52%	6 44%	7 04%	7.05%	7 22%	5 35%	6 01%	7 55%	
Annual Cash on Cash Return	3 20%	3 78%	2 98%	5 09%	4 07%	5 27%	4 49%	6 37%	7 00%	6 89%	7 15%	3 33%	4 26%	7 38%	
PROPERTY VALUATION MATRIX AND CASH FLOW SUMMARY ($000's)															
Net Cash Flow	$63,916	$75,578	$59,680	$101,898	$81,339	$105,479	$89,820	$127,325	$139,911	$137,882	$142,975	$66,584	$85,164	$147,587	
Residual Value	0	0	0	0	0	0	0	0	0	0	0	0	0	3,054,614	
Total Cash Flow Proceeds	$63,916	$75,578	$59,680	$101,898	$81,339	$105,479	$89,820	$127,325	$139,911	$137,882	$142,975	$66,584	$85,164	$3,202,201	

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

IRR	Terminal Cap Rate 4.00%	4.50%	5.00%	5.50%	6.00%
6.00%	$2 695 387 ($1228)	$2 407 740 ($1139)	$2 257 622 ($1068)	$2 134 799 ($1010)	$2 032 446 ($962)
6.50%	$2 457 096 ($1163)	$2 281 413 ($1080)	$2 140 867 ($1013)	$2 025 875 ($959)	$1 930 048 ($913)
7.00%	$2 327 572 ($1101)	$2 163 040 ($1024)	$2.031.414 ($961)	$1 923 720 ($910)	$1 833 975 ($868)
7.50%	$2.206.204 ($1044)	$2.052.068 ($971)	$1.928.759 ($913)	$1 827.870 ($865)	$1.743.795 ($825)
8.00%	$2.092.429 ($990)	$1.947 988 ($922)	$1.832.435 ($867)	$1 737.892 ($822)	$1.659.105 ($785)

VALUATION ASSUMPTIONS	
Discount Rate	7 00%
Terminal Cap Rate	5 00%
Cost of Sale at Reversion	4 00%
Square Footage NRA (sf)	2 113 259
Holding Period	14 Years
Value of Cash Flow	846.782 230
Value of Reversion	1 184 631 786
ESTIMATED MARKET VALUE	$2 000.000.000
Per Square Foot	$946 41

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

While the "great recession" of late 2007 through 2009 continues to have significant residual impact on both the underlying fundamentals of the leasing markets and the investment markets, the overall outlook for the office investment market has improved substantially over the past year.

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. During the second half of 2011, however, concerns about the economic recovery and a possible "double-dip" recession resulted in setbacks in the debt markets.

While significant concerns remain relating to the economic slowdown and debt crisis in Europe as of the early stages of 2012, the US economy is showing signs of continued recovery, offsetting some of the concerns of a double-dip recession which were prevalent during the latter portion of 2011.

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 had near-term negative impact on the securities market and the stock market. The outlook became more favorable during the last part of 2011 and January 2012.

The CMBS market did not recover to the degree anticipated during the first half of 2011, however. A review by Commercial Mortgage Alert (in early 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 "flooded" the market with debt at increasingly favorable terms during the first half of 2011, although underwriting standards remain more conservative and LTV ratios remain below 2005-2007 levels. Life Company originations totaled approximately $55 billion in 2011, or more than the CMBS issuance. CMBS issuance in 2012 is expected to be in the range of $40-$45 billion, an increase of 33 percent to 50 percent above the 2011 level.

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	Floating	Bank	L + 250	65%	3 Years plus two 12-month ext.	IO
Office	Fixed	Bank	4.30%	70%	7 years	25 year
Office	Fixed	Bank	5.10%	70%	10 years	25 year
Office	Fixed	Life Company	T + 200	60%	15 years	30 year, 3 Years IO
Office	Floating	Bank	L + 235	65%	7 years	30 year, 3 Years IO
Office	Fixed	Bank	4.25%	75%	5 years	25 year
Office	Fixed	Bank	S + 230	65%	5 years	30 year, 2 Years IO
Office	Floating	Bank	L + 250	65%	5 years	IO, 0.75% fee

Recent Deals/Closings/Quotes - Equity

Asset Type	Type of Financing	Type of Investor	Target Return	Equity Contribution Levels	Comments
Office	Preferred Equity	REIT	8%	100%/0%	Up to 65% LTV

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 + 195 - 380
Fixed Rate - 10 Years	60-70%	1.30 - 1.50	T + 165 - 350
Floating Rate - 5 Years			
Core Asset	< 65%	1.30 - 1.50	L + 200 + 325
Value Add Asset	< 65%	1.25 - 1.40	L + 325 - 500
Mezzanine Moderate Leverage	65-80%	1.05 - 1.15	L + 700 + 900
Mezzanine High Leverage	75-90%		L + 1000 + 1400

Source: Cushman & Wakefield Sonnenblick Goldman Capital Markets Update

BASE RATES

	April 2, 2012	Two Weeks Prior	One Year Prior
30 Day LIBOR	0.24%	0.24%	0.24%
U.S. TREASURY			
5 Year	1.03%	1.20%	2.23%
10 Year	2.20%	2.39%	3.47%
SWAPS		Current Swap Spreads	
5 Year	1.27%	0.24%	
10 Year	2.28%	0.08%	

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 + 270	T + 280
Strip Center	60-65%	T + 290	T + 305
Multi-Family (non-agency)	65-70%	T + 235	T + 240
Multi-Family (agency)	70-75%	T + 190	T + 195
Distribution/Warehouse	65-70%	T + 285	T + 300
R&D/Flex/Industrial	55-65%	T + 295	T + 310
Office	60-70%	T + 270	T + 290
Hotel	50-55%	T + 325	T + 350

Source: Cushman & Wakefield Sonnenblick Goldman Capital Markets Update

CUSHMAN & WAKEFIELD
VALUATION & ADVISORY

During July, 2011 however, one of the three main "legs" of the debt market, CMBS, exhibited significant signs of weakness. Increasing concerns over the strength of the economic recovery in the United States led to widening spreads and disappointing results for CMBS offerings in late third quarter 2011. A July 2011 $1.5 billion Wells Fargo/RBS AAA-rated pool was priced at much higher than anticipated spreads. A JP Morgan CMBS offering was trading at spreads in the range of 50 basis points over the prior month. Goldman Sachs and Citi pulled their planned $1.5 billion offering from the market after S&P failed to issue final ratings for the bonds, and Deutsche Bank and UBS have delayed their planned $1.4 billion CMBS offering until September, hoping for better market conditions. In general, CMBS originators reduced their projections for the rest of 2011 leading with approximately $40 billion in issuance. The life companies and banks continued to maintain their pace of lending, however. The outlook is more positive for 2012, however, with CMBS spreads tightening over the first month of the year. The $1.1 billion Goldman/Citi pool closed during January, 2012 with much more favorable responses from investors. In addition, nearly $2.7 billion of CMBS issuance were successfully marketed in early March, 2012, including a $925 billion offering by Wells Fargo and RBS.

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 270 basis point spreads over treasuries for Class A office properties, and 290 basis points over treasuries for Class B office assets, with maximum LTV's of 60 to 70 percent.

Based on the April 2, 2012, 10-year treasury rate of 2.20%, the indicated fixed rate interest rate is about 4.9% for Class A office and about 5.2% for Class B/C office. Despite the downgrade of the US by S&P, last year treasuries have actually strengthened. The concerns over the European economy and debt levels have led to a "flight-to-quality" in U.S. Treasuries, placing downward pressure on rates.

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 two years, 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. Recent examples include a $510 million equity fund raised by Madison International Realty targeting partial ownership interests in Class A properties and portfolios, and a current effort by Divcowest Properties to rate up to $800 million in equity for value-add investments, targeting primarily office and light industrial assets. This fund will be a "co-investment" vehicle with targeted returns of 10 to 13 percent (equity), using leverage to increase buying capacity to over $2 billion. DRA is in the process of raising $850 million in equity (buying power with leverage expected to approach $3 billion) targeting a 13% to 15% return by acquiring office, retail, multi-family and industrial properties at $20 million or greater in primary and secondary US markets. Menlo Equities is currently in the process of raising $150 million for a California office investment vehicle targeting a 14% return, with 20% of the total invested in ground-up office development. Normandy Real Estate raised a $500 million value-added fund targeting 14% to 15% returns on distressed office assets. Normandy's previous fund resulted in several major, well-timed acquisitions including John Hancock Tower in Boston and 10 UCP in the Los Angeles area. Glenborough Realty is looking to raise $100 million in equity (targeting $275 million in acquisitions with leverage) for distressed ("opportunistic") office buys. The targeted leveraged returns are 15% to 18%.

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.

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
Divco West	$800	10-13	Office, industrial	US
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	$964	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:	$17,642	Range: 10-16%		

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:	$50,451	10-21%

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

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.

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 Manhattan office building sales.

COMPARABLE OFFICE BUILDING SALES SUMMARY

No.	Sales Date	Property Name	Price	Price/NRA	EGIM	OAR	Forecast	IRR	Terminal OAR
1	Contract	666 Third Avenue	$493,000,000	$640	11.06	4.43%	14	7.00%	5.00%
2	Contract	220 West 42nd Street	$261,000,000	$1,146	12.62	5.65%	10	6.50%	5.50%
3	Contract	450 Lexington Avenue	$720,000,000	$774	9.19	4.15%	11	6.00%	5.00%
4	Contract	575 Lexington Avenue	$360,000,000	$484	12.54	3.69%	10	8.00%	6.00%
5	Contract	400 Madison Avenue	$139,600,000	$755	10.45	5.06%	10	8.50%	5.50%
6	Contract	645 Fifth Avenue	$840,000,000	$1,661	17.22	3.31%	10	6.50%	5.00%
7	Jan-12	10 East 53rd Street	$252,500,000	$650	12.91	4.01%	10	7.00%	5.00%
8	Nov-11	666 Fifth Avenue	$1,115,000,000	$766	13.40	3.23%	13	6.50%	5.00%
9	Oct-11	375 Park Avenue	$1,200,000,000	$1,411	13.90	4.50%	12	8.50%	5.50%
10	Sep-11	2 Grand Central Tower	$400,000,000	$600	13.66	3.59%	10	8.00%	5.50%
11	Sep-11	650 Madison Avenue	$950,000,000	$1,574	19.12	3.61%	10	7.00%	5.50%
12	Sep-11	Park Avenue Plaza	$1,100,000,000	$967	14.19	3.94%	10	7.50%	5.50%

** 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 PricewaterhouseCoopers Real Estate Investor Survey. We note that the data in the PWC reflects "all cash" rates, which consider a blend of equity and debt. The return data also does not discriminate between asset categories (Class A, B, C), occupancy levels, age, or specific Manhattan submarket location.

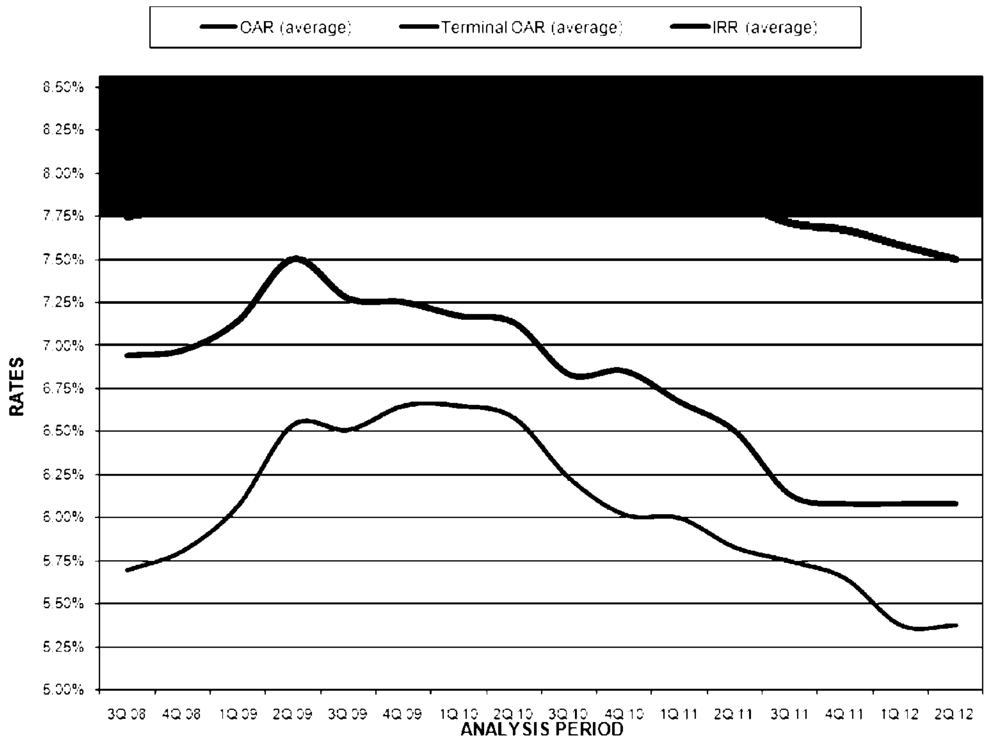
INVESTOR SURVEY HISTORICAL RESULTS

Survey: PwC **End Quarter:** 2Q 12

Property Type: MANHATTAN OFFICE

Quarter	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	4Q 11	1Q 12	2Q 12
OAR (average)	5.70%	5.81%	6.07%	6.54%	6.51%	6.65%	6.65%	6.58%	6.22%	6.02%	6.00%	5.83%	5.75%	5.65%	5.38%	5.38%
Terminal OAR (average)	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%	6.08%	6.08%	6.08%
IRR (average)	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%	7.67%	7.58%	7.50%

INVESTOR SURVEY HISTORICAL RESULTS



Source: PwC Real Estate Investor Survey

As the chart illustrates, the return requirements cited by investors declined during the period from 2004 through 2006, moderating through 2007, and subsequently (2008 through third quarter 2009) showing an increasing trend as investment market conditions further weakened with the recession. Through year end 2011 and early 2012 however, investment market conditions have shown considerable improvement over 2009 data. The (average) IRR requirements for Manhattan office properties increased quarterly from first quarter 2008 through first quarter 2009, with the reported IRR's stabilizing/improving over the past nine quarters. IRR requirements (average) declined by 86 basis points from the recent peak of 8.36 percent (second quarter 2009) to the current level of 7.50 percent (second quarter 2012).

Not coincidentally, the 2008-2009 increase corresponds somewhat to the period following the Lehman Bros bankruptcy at the end of September, 2008. While the capital and debt markets were impacted significantly beginning in approximately mid-2007, the Lehman bankruptcy and subsequent "fallout" in the financial markets beginning fourth quarter 2008 brought most real estate investment to a virtual "standstill", as buyers could not obtain financing and there were no guidelines for underwriting risk.

In addition to IRR decreases, overall capitalization rates (OAR) for Manhattan Office have also decreased by 127 basis points from the peak of 6.65 percent during fourth quarter 2009 to 5.38 percent as of second quarter 2012. Terminal capitalization rates have declined from their high achieved during second quarter 2009 (7.50%) by 142 basis point range to its current level of 5.38 percent as of second quarter 2012.

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 5.00 percent to the fiscal year 2027 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 7.00 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.

MANHATTAN OFFICE BUILDING SALES
TERMINAL CAPITALIZATION RATE SUMMARY

No.	Property	Capitalization Rate
1	666 Third Avenue	5.00%
2	220 West 42nd Street	5.50%
3	450 Lexington Avenue	5.00%
4	575 Lexington Avenue	6.00%
5	400 Madison Avenue	5.50%
6	645 Fifth Avenue	5.00%
7	10 East 53rd Street	5.00%
8	666 Fifth Avenue	5.00%
9	375 Park Avenue	5.50%
10	2 Grand Central Tower	5.50%
11	650 Madison Avenue	5.50%
12	Park Avenue Plaza	5.50%

STATISTICS	
Low	5.00%
High	6.00%
Median	5.50%
Average	5.33%

* Compiled by Cushman & Wakefield Valuation & Advisory

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

TERMINAL CAPITALIZATION RATES (OAR)			
Survey	Date	Range	Average
PwC	Second Quarter 2012	5.00% - 7.50%	6.08%

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

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

In consideration of the subject's location, tenant credit quality, renovation, and significant roll over during the analysis period and expected increase in Midtown Manhattan market rents, we have applied a 5.00 percent terminal capitalization rate in our analysis. This rate is supported by the comparable sales and the investor surveys previously cited.

Discount Rate Analysis

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

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

MANHATTAN OFFICE BUILDING SALES
DISCOUNT RATE (IRR) SUMMARY

No.	Property	Discount Rate
1	666 Third Avenue	7.00%
2	220 West 42nd Street	6.50%
3	450 Lexington Avenue	6.00%
4	575 Lexington Avenue	8.00%
5	400 Madison Avenue	8.50%
6	645 Fifth Avenue	6.50%
7	10 East 53rd Street	7.00%
8	666 Fifth Avenue	6.50%
9	375 Park Avenue	8.50%
10	2 Grand Central Tower	8.00%
11	650 Madison Avenue	7.00%
12	Park Avenue Plaza	7.50%

STATISTICS	
Low	6.00%
High	8.50%
Median	7.00%
Average	7.25%

* Compiled by Cushman & Wakefield Valuation & Advisory

The second quarter 2012 PriceWaterhouseCoopers, Inc. survey indicates that investors considered acceptable internal rates of return within the following range:

DISCOUNT RATES (IRR)			
Survey	Date	Range	Average
PwC	Second Quarter 2012	6.00% - 10.00%	7.50%

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

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 6.50 to 8.50 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.

In our determination of an appropriate discount rate for the subject property we taking into consideration 1290 Avenue of the Americas location, construction quality, tenant credit quality renovation, and significant roll over during the analysis period and expected returns expected by investors in the current market in relation to other office properties. There we have applied a discount rate of 7.00 percent to the cash flows. 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 trophy asset.

"AS IS" VERSUS "STABILIZED" 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 "Upon Reaching Stabilized Income" value analysis is less risky, under the assumption that the property has achieved optimum income following the "burn-off" of rental concessions (free rent and work letter). Although this relationship is generally true, the subject property is expected to achieve a stabilized cash flow by November 1, 2016.

We have not adjusted the discount rate and terminal capitalization rate within the "Prospective" market value discounted cash flow analysis. Due to the speculative nature of making an arbitrary adjustment for lower risk of stabilized occupancy in the future, we have taken a more conservative approach of using a current internal rate of return and terminal capitalization rate. Considering the significant upside upon reaching stabilized occupancy, we are hesitant to fully credit the upside as a stabilized building.

Based upon the above, it is our opinion that an investor would require a discount rate in the range of 6.50 to 7.50 percent with a terminal capitalization rate ranging from 4.50 to 5.50 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 6.50 to 7.50 percent at 50 basis point intervals. Discounting these cash flows, over the range of yields and terminal rates that are now being required by participants in the market, for this type of real estate, places additional perspective upon our analysis. A valuation matrix for the subject property is presented below.

VALUATION MATRIX 1290 Avenue of the Americas– Market Value "As Is" ($000's)			
	Terminal Capitalization Rates		
IRR	4.50%	5.00%	5.50%
6.50%	$2,275,000	$2,135,000	$2,020,000
7.00%	$2,157,000	$2,026,000	$1,918,000
7.50%	$2,046,000	$1,923,000	$1,823,000

The value of the subject property varies with the discount rates and range of terminal capitalization rates from approximately **$1,823,000,000 to $2,275,000,000**, as rounded. Given consideration to all of the characteristics of the subject property previously discussed, we feel that a prudent investor would require a yield, which falls near the mid-point of the market range outlined above for this property.

In view of the analysis presented, it is our opinion that the discounted cash flow analysis indicates a market value of **$2,000,000,000**, as rounded, for the subject property. The indices of investment generated through this indication of value are presented as follows.

VALUATION PARAMETERS 1290 AVENUE OF THE AMERICAS NEW YORK, NEW YORK	
Terminal Capitalization Rate	5.00%
Equity Yield	7.00%
Price/SF of NRA	$946.41

DISCOUNTED CASH FLOW ANALYSIS AND DCF SUMMARY TABLE

Based on the discount rate selected above, market value would be **$2,000,000,000**, rounded. The reversionary sale contributes 58.31 percent to this value estimate. The 14 year discounted cash flow summary table is presented on the following page.

1290 Avenue of the Americas

Between West 51st and West 52nd Streets
New York City

Discounted Cash Flow Analysis
Market Value "As Is" on November 1, 2012

FISCAL YEAR		NET CASH FLOW		DISCOUNT FACTOR @ 7.00%			PRESENT VALUE OF CASH FLOWS	COMPOSITION OF YIELD	ANNUAL CASH ON CASH RETURN
One	$	63,760,496	X	0.934579	=	$	59,589,249	2.94%	3.15%
Two	$	75,400,348	X	0.873439	=	$	65,857,584	3.25%	3.72%
Three	$	59,497,749	X	0.816298	=	$	48,567,886	2.40%	2.94%
Four	$	101,712,768	X	0.762895	=	$	77,596,184	3.83%	5.02%
Five	$	81,149,555	X	0.712986	=	$	57,858,511	2.86%	4.01%
Six	$	105,267,823	X	0.666342	=	$	70,144,395	3.46%	5.20%
Seven	$	89,841,697	X	0.622750	=	$	55,948,894	2.76%	4.44%
Eight	$	127,090,295	X	0.582009	=	$	73,967,709	3.65%	6.27%
Nine	$	139,485,223	X	0.543934	=	$	75,870,719	3.75%	6.89%
Ten	$	137,457,999	X	0.508349	=	$	69,876,676	3.45%	6.79%
Eleven	$	142,550,461	X	0.475093	=	$	67,724,697	3.34%	7.04%
Twelve	$	66,126,205	X	0.444012	=	$	29,360,826	1.45%	3.26%
Thirteen	$	84,675,630	X	0.414964	=	$	35,137,376	1.73%	4.18%
Fourteen	$	147,105,410	X	0.387817	=	$	57,050,014	2.82%	7.26%
Total Present Value of Cash Flows						$	844,550,721	41.69%	5.01% Average
Reversion:									
Fifteen	$	158,608,664	(1) /	5.00%	=	$	3,172,173,280		
	Less: Cost of Sale @			4.00%		$	126,886,931		
	Less: TI and Comm					$	-		
	Net Reversion					$	3,045,286,349		
	X Discount Factor						0.387817		
Total Present Value of Reversion						$	1,181,014,550	58.31%	
Total Present Value						$	2,025,565,270	100.00%	
		ROUNDED:				**$**	**2,000,000,000**		

Net Rentable Area (SF):	2,113,259
Per Square Foot of Net Rentable Area:	$946.41
Implicit Going-in Capitalization Rate	
Year One NOI (12 Months)	$91,718,121
Going-In Cap Rate	4.59%
Compounded Annual Growth Rate	
Concluded to Reversion:	3.35%
Compounded Annual Growth Rate	
Net cash Flow:	n/a

Note: (1) Net Operating Income

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PROSPECTIVE VALUE "UPON REACHING STABILIZED INCOME" AS OF NOVEMBER 1, 2016

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, 2016 following the "burn-off" of rental concessions (free rent and work letter). 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 calendar year analysis beginning November 1, 2016.

We have not adjusted the discount rate and terminal capitalization rate within the "Prospective" market value discounted cash flow analysis. Due to the speculative nature of making an arbitrary adjustment for lower risk of stabilized occupancy in the future, we have taken a more conservative approach of using a current internal rate of return and terminal capitalization rate. Considering the significant upside upon reaching stabilized occupancy, we are hesitant to fully credit the upside as a stabilized building.

Based upon the above, it is our opinion that an investor would require a discount rate in the range of 6.50 to 7.50 percent with a terminal capitalization rate ranging from 4.50 to 5.50 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 6.50 to 7.50 percent at 50 basis point intervals. Discounting these cash flows, over the range of yields and terminal rates that are now being required by participants in the market, for this type of real estate, places additional perspective upon our analysis. A valuation matrix for the subject property is presented below.

VALUATION MATRIX
1290 Avenue of the Americas– Market Value "Upon Achieving Stabilized Occupancy" ($000's)

	Terminal Capitalization Rates		
IRR	**4.50%**	**5.00%**	**5.50%**
6.50%	$2 599 000	$2 419 000	$2 271 000
7.00%	$2 497 000	$2 325 000	$2 185 000
7.50%	$2 401 000	$2 236 000	$2 102 000

The value of the subject property varies with the discount rates and range of terminal capitalization rates from approximately **$2,102,000,000 to $2,599,000,000**, as rounded. Given consideration to all of the characteristics of the subject property previously discussed, we feel that a prudent investor would require a yield, which falls near the mid-point of the market range outlined above for this property.

In view of the analysis presented, it is our opinion that the discounted cash flow analysis indicates a market value of **$2,300,000,000**, as rounded, for the subject property. The indices of investment generated through this indication of value are presented as follows.

VALUATION PARAMETERS
1290 AVENUE OF THE AMERICAS
NEW YORK, NEW YORK

Terminal Capitalization Rate	5.00%
Equity Yield	7.00%
Price/SF of NRA	$1,088.37

CUSHMAN & WAKEFIELD
VALUATION & ADVISORY

Discounted Cash Flow Analysis and DCF Summary Table

Based on the discount rate selected above, market value would be $2,300,000,000, rounded. The reversionary sale contributes 66.58 percent to this value estimate. The 10-year discounted cash flow summary table is presented on the following page.

1290 Avenue of the Americas

Between West 51st and West 52nd Streets
New York City

Discounted Cash Flow Analysis
Prospective Value on June 30, 2014 "Upon Achieving Stabilized Occupancy"

FISCAL YEAR	NET CASH FLOW		DISCOUNT FACTOR @ 7.00%		PRESENT VALUE OF CASH FLOWS	COMPOSITION OF YIELD	ANNUAL CASH ON CASH RETURN
One	$ 81,149,555	X	0.934579	=	$ 75,840,706	3.26%	3.49%
Two	$ 105,267,823	X	0.873439	=	$ 91,944,993	3.95%	4.53%
Three	$ 89,841,697	X	0.816298	=	$ 73,337,587	3.15%	3.86%
Four	$ 127,090,295	X	0.762895	=	$ 96,956,578	4.17%	5.47%
Five	$ 139,485,223	X	0.712986	=	$ 99,451,036	4.28%	6.00%
Six	$ 137,457,999	X	0.666342	=	$ 91,594,069	3.94%	5.91%
Seven	$ 142,550,461	X	0.622750	=	$ 88,773,263	3.82%	6.13%
Eight	$ 66,126,205	X	0.582009	=	$ 38,486,053	1.66%	2.84%
Nine	$ 84,675,630	X	0.543934	=	$ 46,057,932	1.98%	3.64%
Ten	$ 147,105,410	X	0.508349	=	$ 74,780,931	3.22%	6.33%
Total Present Value of Cash Flows					$ 777,223,148	33.42%	4.82% Average
Reversion:							
Eleven	$ 158,608,664	(1) /	5.00%	=	$ 3,172,173,280		
	Less: Cost of Sale @		4.00%		$ 126,886,931		
	Less: T.I and Comm.				$ -		
	Net Reversion				$ 3,045,286,349		
	X Discount Factor				0.508349		
Total Present Value of Reversion					$ 1,548,069,160	66.58%	
Total Present Value					$ 2,325,292,307	100.00%	
	ROUNDED:				**$ 2,300,000,000**		

Net Rentable Area (SF):	2,113,259
Per Square Foot of Net Rentable Area:	$1,088.37
Implicit Going-in Capitalization Rate:	
Year One NOI (12 Months)	$101,537,158
Going-In Cap Rate	4.41%
Compounded Annual Growth Rate Concluded to Reversion:	3.27%
Compounded Annual Growth Rate Net cash Flow:	n/a

Note: (1) Net Operating Income

CUSHMAN & WAKEFIELD
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DIRECT CAPITALIZATION VALUATION METHOD (UPON ACHIEVING STABILIZED OCCUPANCY AS OF NOVEMBER 1, 2016)

In the direct capitalization method, we estimated market value by dividing stabilized net operating income by an overall rate derived from our analyses of market sales and computed by dividing the net operating income from a sold property by its sale price. The overall capitalization rates derived from the improved property sales are between 3.23 and 5.65 percent. The overall capitalization rates derived from the most applicable improved property sales are shown below.

MANHATTAN OFFICE BUILDING SALES
OVERALL CAPITALIZATION RATE SUMMARY

No.	Property	Capitalization Rate
1	666 Third Avenue	4.43%
2	220 West 42nd Street	5.65%
3	450 Lexington Avenue	4.15%
4	575 Lexington Avenue	3.69%
5	400 Madison Avenue	5.06%
6	645 Fifth Avenue	3.31%
7	10 East 53rd Street	4.01%
8	666 Fifth Avenue	3.23%
9	375 Park Avenue	4.50%
10	2 Grand Central Tower	3.59%
11	650 Madison Avenue	3.61%
12	Park Avenue Plaza	3.94%

STATISTICS	
Low	3.23%
High	5.65%
Median	3.98%
Average	4.10%

** Compiled by Cushman & Wakefield Valuation & Advisory*

Additional support can be drawn from the second quarter 2012 PriceWaterhouseCoopers, Inc. overall capitalization rate survey:

CAPITALIZATION RATES

Survey	Date	Range	Average
PwC	Second Quarter 2012	4.00% - 8.00%	5.38%

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

In the context of the direct capitalization method, a going-in rate of 4.50 percent is considered reasonable, compensating the typical buyer for the risk inherent in investing in this building. We have applied the direct capitalization a summary of the direct capitalization method is shown below.

INDICATED VALUE BASED ON DIRECT CAPITALIZATION OF NOI

DIRECT CAPITALIZATION METHOD			
NET OPERATING INCOME		**$101,537,158**	**$48.05**
Sensitivity Analysis OAR Spread	**0.50%**	**Value**	**$/SF NRA**
Based on Low-Range	4.00%	$2,538,428,950	$1,201.19
Based on Most Probable Range	4.50%	$2,256,381,289	$1,067.73
Based on High-Range	5.00%	$2,030,743,160	$960.95
Reconciled Value		$2,256,381,289	$1,067.73
Rounded		$2,250,000,000	$1,064.71

The year one going-in capitalization rate indicated in the discounted cash flow analysis, upon achieving stabilized occupancy in November 1, 2016, is 4.41 percent. This is in line with going-in capitalization rates indicated by the improved sales and the most recent Investor Survey. 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:	$2,300,000,000
Value Indicated by the Direct Capitalization Method:	$2,250,000,000

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

INCOME CAPITALIZATION CONCLUSION	
Value Conclusion (Stabilized as of November 1, 2016):	$2,300,000,000

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 November 1, 2012:	$2,000,000,000
Prospective Market Value as of November 1, 2016:	$2,300,000,000
Income Capitalization Approach	
As Is Value as of November 1, 2012:	$2,000,000,000
Prospective Market Value as of November 1, 2016:	$2,300,000,000

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 **leased fee 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, 2012, is:

TWO BILLION DOLLARS

$2,000,000,000

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 future value of the **leased fee estate** of the referenced property, subject to the assumptions, limiting conditions, certifications, and definitions, on November 1, 2016, will be:

TWO BILLION THREE HUNDRED MILLION DOLLARS

$2,300,000,000

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 did make a personal inspection of the property that is the subject of this report. Robert S. Nardella, MAI, MRICS did not make a personal inspection of the property that is the subject of this report.
- We have not performed prior services involving the subject property within the three-year period immediately preceding the acceptance of the assignment.
- The following individuals provided significant real property assistance in preparing this appraisal: Andrew Ventura.
- As of the date of this report, Robert S. Nardella, MAI, MRICS has completed the continuing education program of the Appraisal Institute.
- As of the date of this report, Douglas H. Larson and Naoum M. Papagianopoulos, have completed the Standards and Ethics Education Requirement of the Appraisal Institute for Associate Members.

- 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.

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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."

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.

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

The value estimate contained in the appraisal has been developed in accordance with Statement of Financial Accounting Standards No. 157, "Fair Value Measurements" ("SFAS 157"):

Fair Market Value is defined as the most probable price which a specified interest in real property is likely to bring under all of the following conditions:

- Consummation of a sale occurs as of a specified date.
- An open and competitive market exists for the property interest appraised.
- The buyer and seller are each acting prudently and knowledgeably.
- The price is not affected by undue stimulus.
- The buyer and seller are typically motivated.

- Both parties are acting in what they consider their best interest.
- Marketing efforts were adequate and a reasonable time was allowed for exposure in the open market.
- Payment was made in cash in U.S. dollars or in terms of financial arrangements comparable thereto.
- 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.

It is further understood that the purpose of the appraisal is to establish the Fair Value, as outlined by the Statement of Financial Accounting Standards No. 157, "Fair Value Measurements" ("SFAS 157").

SFAS 157 defines fair value as: "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date." The notion of "exit price" is fair value, rather than the "entry price" or, the price that would be paid to acquire the asset.

SFAS 157 further emphasizes the following:

- Fair Value is a market-based measurement, not an entity-specific measurement.
- Measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability, distinguishing between:
  - Market participant assumptions developed, based on market data obtained from sources independent of the reporting entity (observable inputs)
  - The reporting entity's own assumptions about market participant assumptions developed based on the best information available in the circumstances (unobservable inputs).
- Market participant assumptions include assumptions about risk. A Fair Value measurement should include an adjustment for risk, if market participants would include one in pricing the related asset or liability, even if the adjustment is difficult to determine.
- The fair value measure assumes the highest and best use of the asset, in view of its characteristics, legal considerations, and cost factors.

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.

PROSPECTIVE VALUE UPON REACHING STABILIZED OCCUPANCY

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

ADDENDA CONTENTS

ADDENDUM A: INSURABLE VALUE

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

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

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

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

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

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

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-11	

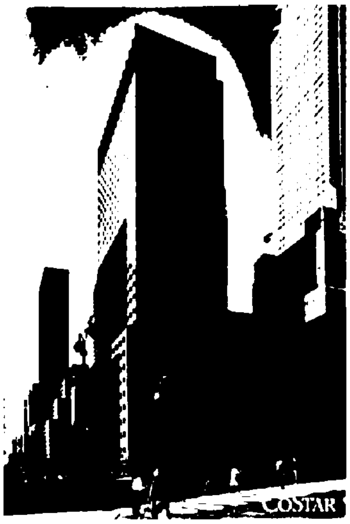
REPLACEMENT COST ANALYSIS				
Replacement Cost New (RCN)	**GBA (SF)**	**$/GBA**	**Sub-Total**	
Building Improvements				
Base Cost	1 726 532	$243 01	$419 564 541	
HVAC		$17 35	$29 955 330	
Sprinklers		$2 50	$4 316 330	
Subtotal		$262 86	$453 836 202	
Multipliers				
Current Cost		1 030		
Local Area		1 430		
Perimeter		1 000		
Building Height		1 187		
Congestion/Complex		1 200		
Product of Multipliers			x 2 098	
Adjusted Replacement Cost New (RCN)			$952 147 788	$551 48

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%	($95 214 779)	
Insurable Value		**$856,933,009**	$496 33

Compiled by Cushman & Wakefield, Inc.

CUSHMAN & WAKEFIELD VALUATION & ADVISORY

ADDENDUM B: COMPARABLE IMPROVED SALES



666 Third Avenue
666 Third Avenue
Between 42nd & 43rd Streets
New York NY 10017
MSA: New York
New York (Manhattan) County
New York, Midtown - Grand Central

Property Type:	Office
Property Subtype:	Mixed Use - Office/Retail
ID:	233366
APN:	N/A

PROPERTY INFORMATION

Site Area (Acres):	0.80	Number of Buildings:	1
Site Area (SqFt):	34,771	Number of Stories:	32
Gross Bldg Area:	769,867	Class:	A
Net Bldg Area:	769,867	Number of Parking Spaces:	N/A
Year Built:	1952	Parking Ratio:	N/A
Last Renovation:	2000	Tenancy Type:	Multi-Tenant
Quality:	Excellent		
Condition:	Excellent		

SALE INFORMATION

Sale Status:	In-Contract	OAR:	4.43%
Transaction Date:	10/2012	NOI:	$21,827,591
Sale Price:	$493,000,000	NOI per SqFt:	$28.35
Price per SqFt:	$640.37	Occupancy:	100.00%
Value Interest:	Leased Fee	Expense Ratio:	N/A
Grantor:	Commerzbank	EGIM:	11.06
Grantee:	Hong Kong Monetary Authority	Buying Entity:	Investor
Condition of Sale:	None		

VERIFICATION COMMENTS

CW Research

COMMENTS

The property is a modern Class A office building that was constructed in 1952. The property is currently under contract of sale to Hong Kong Monetary Authority and Korea Investment Corporation who are buying an 80 percent interest in the property from Commerzbank at a purchase price that equals $493 million based on 100 percent interest in the property. The property underwent a redevelopment in 2000 to reposition it as a more desirable destination for high quality tenants. 666 Third Avenue was also expanded by constructing an additional 130,000 square feet of office space as a vertical addition using air rights from the four adjacent retail buildings. The largest office tenants include Credit Agricole Corp. (138,086 square feet), Mintz, Levin, Cohn, Ferris (80,380 square feet), and Watson Wyatt & Company (84,750 square feet). The retail space located on the grade and arcade levels of the builiding is leased to 5 retail tenants. Approximately 40 percent of the property's leases expire in the next five years. The current in-place gross rental rate is approximately $55 per square foot for office tenants. The current overall capitalization rate is 4.43 percent.

Candler Tower
220 West 42nd Street
New York NY 10036
MSA: New York
New York (Manhattan) County
New York, Midtown - Times Square South

Property Type:	Office
Property Subtype:	Mixed Use - Office/Retail
ID:	230307
APN:	N/A

PROPERTY INFORMATION

Site Area (Acres):	0.23	Number of Buildings:	1
Site Area (SqFt):	10,109	Number of Stories:	24
Gross Bldg Area:	235,300	Class:	A
Net Bldg Area:	227,685	Number of Parking Spaces:	N/A
Year Built:	1924	Parking Ratio:	N/A
Last Renovation:	N/A	Tenancy Type:	N/A
Quality:	Excellent		
Condition:	Excellent		

SALE INFORMATION

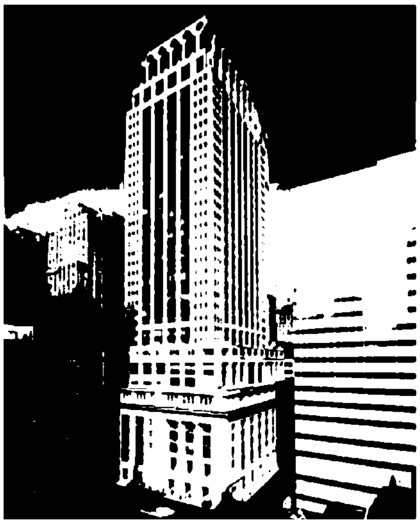
Sale Status:	In-Contract	OAR:	5.65%
Transaction Date:	8/2012	NOI:	$14,749,125
Sale Price:	$261,000,000	NOI per SqFt:	$64.78
Price per SqFt:	$1,146.32	Occupancy:	100.00%
Value Interest:	Leased Fee	Expense Ratio:	N/A
Grantor:	Paramount Group	EGIM:	12.62
Grantee:	Confidential	Buying Entity:	Investor
Condition of Sale:	None		

VERIFICATION COMMENTS

Paramount Group

COMMENTS

Sale of an office and retail building containing 24-stories located on 42nd Street in Times Square. The property, known as Candler Building, is a historic landmark that was the tallest building in Midtown upon its construction in 1924. The exterior facade contains glazed terra cotta tiles and ornamented windows and cornices. The entire property is currently triple net leased through September 2020 to SFX Entertainment, Inc. The ground floor and second level are subleased to McDonald's Corporation. The mechanical and operating systems were recently renovated at a cost of $35 million. The property was previously purchased in May 2006 by Paramount Group from Clear (NY) LP for $208 million.



450 Lexington Avenue
New York NY 10017
MSA: New York
New York (Manhattan) County
New York, Midtown - Grand Central

Property Type:	Office
Property Subtype:	Office Building - High Rise
ID:	229087
APN:	N/A

PROPERTY INFORMATION

Site Area (Acres):	1.39	Number of Buildings:	1
Site Area (SqFt):	60,700	Number of Stories:	40
Gross Bldg Area:	929,655	Class:	A
Net Bldg Area:	929,655	Number of Parking Spaces:	N/A
Year Built:	1992	Parking Ratio:	N/A
Last Renovation:	N/A	Tenancy Type:	Multi-Tenant
Quality:	Excellent		
Condition:	Excellent		

SALE INFORMATION

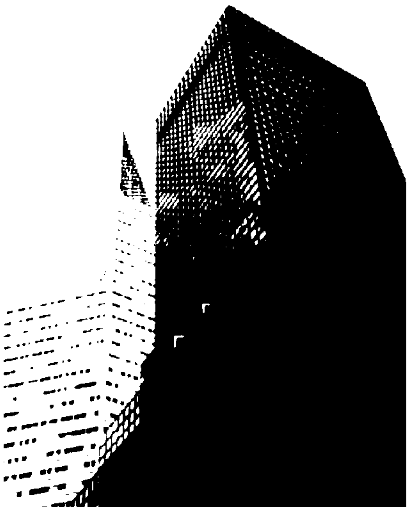
Sale Status:	In-Contract	OAR:	4.15%
Transaction Date:	7/2012	NOI:	$29,901,742
Sale Price:	$720,000,000	NOI per SqFt:	$32.16
Price per SqFt:	$774.48	Occupancy:	99.00%
Value Interest:	Leased Fee	Expense Ratio:	N/A
Grantor:	Istithmar Investment Holding Company	EGIM:	9.19
Grantee:	RXR Realty	Buying Entity:	Investor
Condition of Sale:	N/A		

VERIFICATION COMMENTS

Istithmar Investment Holding Company

COMMENTS

Sale of a trophy Class A office building which is considered in the marketplace to be one of the better "newer" buildings in the Grand Central District. Over 86 percent of the building is leased to two tenants; Davis Polk and Wardwell (54 percent) and Warburg Pincus LLC (31 percent). Davis Polk and Wardwell is in the process of renegotiating their lease via arbitration. The property is subject to a long-term ground lease with the U.S. Postal Service. The property was previously purchased by Istithmar Investment Holding Company from Westbrook and Murray Hill Properties in August 2006 for $600 million.



575 Lexington Avenue
Between 51st & 52nd Streets
New York NY 10022
MSA: New York
New York (Manhattan) County
New York, Midtown - East Side

Property Type:	Office
Property Subtype:	Office Building - High Rise
ID:	231342
APN:	N/A

PROPERTY INFORMATION

Site Area (Acres):	0.75	Number of Buildings:	1
Site Area (SqFt):	32,670	Number of Stories:	35
Gross Bldg Area:	743,683	Class:	A
Net Bldg Area:	743,683	Number of Parking Spaces:	N/A
Year Built:	1958	Parking Ratio:	N/A
Last Renovation:	1990	Tenancy Type:	Multi-Tenant
Quality:	Good		
Condition:	Good		

SALE INFORMATION

Sale Status:	In-Contract	OAR:	3.69%
Transaction Date:	6/2012	NOI:	$13,286,590
Sale Price:	$360,000,000	NOI per SqFt:	$17.87
Price per SqFt:	$484.08	Occupancy:	82.00%
Value Interest:	Fee Simple	Expense Ratio:	N/A
Grantor:	Silverstein Properties & CALSTRS	EGIM:	N/A
Grantee:	Normandy Partners & NY Life	Buying Entity:	Investor
Condition of Sale:	None		

VERIFICATION COMMENTS

CW Research

COMMENTS

Sale of a Class A office tower located in the Plaza District submarket. The building was constructed in 1972. The largest office tenants include Cornell University (130,280 square feet), Boies Schiller & Flexner, LLP (94,111 square feet), and Palestrini Post Production (41,585 square feet). The building contains approximately 51,000 square feet of retail space with frontage on Lexington Avenue, and a two-level 150 space garage. The retail space is primarily leased to New York Sports Club (35,924 square feet), which recently renewed its lease through 2022, and Duane Reade (11,505 square feet, parent company Walgreen Co, S&P A rated) through 2027. The current in-place gross rental rate is approximately $47 per square foot for office tenants.

400 Madison Avenue
Between 47th & 48th Streets
New York NY 10017
MSA: New York
New York (Manhattan) County

Property Type:	Office
Property Subtype:	Office Building - High Rise
ID:	225418
APN:	N/A

PROPERTY INFORMATION

Site Area (Acres):	0.21	Number of Buildings:	1
Site Area (SqFt):	8,987	Number of Stories:	21
Gross Bldg Area:	184,859	Class:	B
Net Bldg Area:	184,859	Number of Parking Spaces:	N/A
Year Built:	1929	Parking Ratio:	N/A
Last Renovation:	2000	Tenancy Type:	Multi-Tenant
Quality:	N/A		
Condition:	N/A		

SALE INFORMATION

Sale Status:	In-Contract	OAR:	5.06%
Transaction Date:	6/2012	NOI:	$7,056,854
Sale Price:	$139,600,000	NOI per SqFt:	$38.17
Price per SqFt:	$755.17	Occupancy:	95.00%
Value Interest:	N/A	Expense Ratio:	N/A
Grantor:	William Macklowe Company	EGIM:	10.45
Grantee:	ASB Capital	Buying Entity:	N/A
Condition of Sale:	N/A		

VERIFICATION COMMENTS

Public records.

COMMENTS

Sale of an office building located on the westerly blockfront of Madison Avenue between East 47th and East 48th streets in the Plaza office submarket of Midtown Manhattan. The building was substantially renovated in 1999-2000 at a cost of over $25 million, which included base building upgrades, a new lobby, window replacement, mechanical modernization of elevators, mechanical and electrical upgrades and roof replacement. The majority of the office space in the building is leased to tenants that lease smaller units of space. The current overall capitalization rate is 5.06 percent.

Olympic Tower
645 Fifth Avenue
Between 51st & 52nd Streets
New York NY 10022
MSA: New York
New York (Manhattan) County
New York, Midtown - Madison/Fifth Avenue

Property Type:	Office
Property Subtype:	Mixed Use - Office/Retail
ID:	220331
APN:	N/A
Ground Lease:	Yes

PROPERTY INFORMATION

Site Area (Acres):	0.84	Number of Buildings:	4
Site Area (SqFt):	36,556	Number of Stories:	21
Gross Bldg Area:	518,775	Class:	A
Net Bldg Area:	505,827	Number of Parking Spaces:	N/A
Year Built:	1981	Parking Ratio:	N/A
Last Renovation:	N/A	Tenancy Type:	Multi-Tenant
Quality:	Excellent		
Condition:	Excellent		

SALE INFORMATION

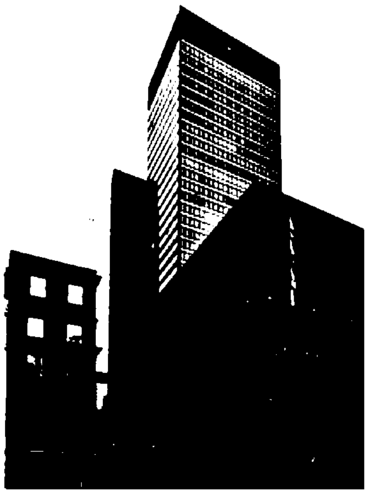
Sale Status:	In-Contract	OAR:	3.31%
Transaction Date:	5/2012	NOI:	$27,767,013
Sale Price:	$840,000,000	NOI per SqFt:	$54.89
Price per SqFt:	$1,660.65	Occupancy:	96.00%
Value Interest:	Leasehold	Expense Ratio:	N/A
Grantor:	Olympic Tower Associates	EGIM:	17.22
Grantee:	Crown Acquisitions	Buying Entity:	Investor
Condition of Sale:	N/A		

VERIFICATION COMMENTS

Public records.

COMMENTS

Sale of 4 retail and office properties to Crown Acq. who is purchasing a 49.9% interest in the property from Olympic Tower Ass. at a purchase price that equals $890 million based on 100% interest in the property. The sale includes $319 million in equity and $250 million in debt. The property includes 645, 647, 651 Fifth Avenue and 10 East 52nd St. Olympic Tower is the commercial condo located on the basement, grade and 2nd-21st floors of 645 Fifth Ave, which contains 407,994sf. 645 Fifth Ave is a 52-story mixed-use building. 647 Fifth Ave contains 20,000sf, which is master leased to Prato Verde (Versace) through January 2015. 651 Fifth Ave contains 55,000sf, which is master leased to Cartier through February 2014. 10 East 52nd St contains 22,833sf, which includes 6,917sf of retail space on the basement, ground and 2nd floor, while the office space contains 15,916sf. The retail is leased to Fig & Olive Fifth Ave through June 2022. The office space is leased to Richemont NA, parent company of Cartier, through April 2018. The land under Olympic Tower is subject to two ground leases: Olympic Gold and Pochari. The primary ground lease, AKA Olympic Gold, encompasses the majority of the property. This lease commenced in September 1975 and it extends for 99 years. The rent is fixed at $1,750,000/yr. The smaller ground lease, AKA Pochari, for former lot 8 East 52nd St (located under the northern entrance to the lobby), commenced in January 1968. The rent is $82,718/yr. The overall cap rate increases to 6.0% in year 4 of the holding period.



Harper Collins Building
10 East 53rd Street
New York NY 10022
MSA: New York
New York (Manhattan) County
New York, Midtown - Madison/Fifth Avenue

Property Type:	Office
Property Subtype:	N/A
ID:	212287
APN:	N/A

PROPERTY INFORMATION

Site Area (Acres):	0.39	Number of Buildings:	1
Site Area (SqFt):	17,071	Number of Stories:	37
Gross Bldg Area:	366,879	Class:	A
Net Bldg Area:	388,684	Number of Parking Spaces:	N/A
Year Built:	1972	Parking Ratio:	N/A
Last Renovation:	N/A	Tenancy Type:	Multi-Tenant
Quality:	Excellent		
Condition:	Excellent		

SALE INFORMATION

Sale Status:	Recorded Sale	OAR:	4.01%
Transaction Date:	1/2012	NOI:	$10,137,137
Sale Price:	$252,500,000	NOI per SqFt:	$26.08
Price per SqFt:	$649.63	Occupancy:	91.00%
Value Interest:	Leased Fee	Expense Ratio:	N/A
Grantor:	New Millennium Estates Ltd.	EGIM:	12.91
Grantee:	SL Green Realty Trust	Buying Entity:	Investor
Condition of Sale:	N/A		

VERIFICATION COMMENTS

Verified by SL Green Realty Trust

COMMENTS

Sale of a Class A office located at 10 East 53rd Street between Madison and Fifth Avenues. The building was constructed in 1972. The property was leased up in 2004-2005 following JP Morgan Chase vacating the building. Approximately 61 percent or 215,495 square feet is leased to HarperCollins with a lease expiration of June 2014. The current contract rents are $50.00 per square foot for HarperCollins and $64.57 per square foot for the remaining ten office tenants in the building.

666 Fifth Avenue
Between 52nd & 53rd Streets
New York NY 10019
MSA: New York
New York (Manhattan) County

Property Type:	Office
Property Subtype:	Condominium Unit(s)
ID:	209995
APN:	N/A

PROPERTY INFORMATION

Site Area (Acres):	1.42	Number of Buildings:	1
Site Area (SqFt):	61,750	Number of Stories:	39
Gross Bldg Area:	1,456,479	Class:	A
Net Bldg Area:	1,456,479	Number of Parking Spaces:	N/A
Year Built:	1957	Parking Ratio:	N/A
Last Renovation:	N/A	Tenancy Type:	Multi-Tenant
Quality:	Excellent		
Condition:	Excellent		

SALE INFORMATION

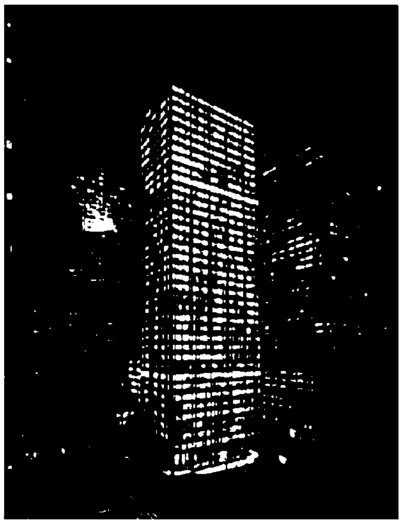
Sale Status:	Recorded Sale	OAR:	3.23%
Transaction Date:	11/2011	NOI:	$35,965,518
Sale Price:	$1,115,000,000	NOI per SqFt:	$24.69
Price per SqFt:	$765.54	Occupancy:	75.00%
Value Interest:	Leased Fee	Expense Ratio:	N/A
Grantor:	Kushner Companies	EGIM:	13.40
Grantee:	Vornado Realty Trust	Buying Entity:	Investor
Condition of Sale:	N/A		

VERIFICATION COMMENTS

Verified by Vornado Realty Trust

COMMENTS

Vornado Realty Trust purchased a minority interest in the property from Kushner Companies at a purchase price that equals $1.115 billion based on 100 percent interest in the property. The property consists of the office condominium unit located within the sub-basement, lower level, arcade, ground floor and 2nd through 39th floors of 666 Fifth Avenue, a modern 39-story office building built in 1957 (renovated in 1999). The property is currently 74.75 percent leased to 20 office tenants and 12 retail tenants. The three largest tenants are Citibank, Integrated Holding and Fulbright & Jaworski, who together lease over 35 percent of the property's total rentable area. The retail condominium units located within the sub-basement, lower level, ground floor and second through third floors are leased to Abercrombie & Fitch and Uniqlo (Lot 1101) and owned by Inditex SA, the parent company of Zara (Lot 1103) and are not part of the property. The property (entire property) was previously purchased by Kushner Companies from Tishman Speyer Properties in December 2006 for $1.8 billion. The overall capitalization rate increases to 5.50 percent in year five of the holding period.



The Seagram Building
375 Park Avenue
Between 52nd & 53rd Streets
New York NY 10022
MSA: New York
New York (Manhattan) County

Property Type:	Office
Property Subtype:	N/A
ID:	210004
APN:	N/A

PROPERTY INFORMATION

Site Area (Acres):	1.38	Number of Buildings:	1
Site Area (SqFt):	59,950	Number of Stories:	38
Gross Bldg Area:	849,004	Class:	A
Net Bldg Area:	850,432	Number of Parking Spaces:	N/A
Year Built:	1957	Parking Ratio:	N/A
Last Renovation:	N/A	Tenancy Type:	Multi-Tenant
Quality:	Excellent		
Condition:	Excellent		

SALE INFORMATION

Sale Status:	Recorded Sale	OAR:	4.50%
Transaction Date:	10/2011	NOI:	$53,948,458
Sale Price:	$1,200,000,000	NOI per SqFt:	$63.44
Price per SqFt:	$1,411.05	Occupancy:	96.00%
Value Interest:	Leased Fee	Expense Ratio:	N/A
Grantor:	RFR Holding LLC	EGIM:	13.90
Grantee:	Blackstone	Buying Entity:	Investor
Condition of Sale:	N/A		

VERIFICATION COMMENTS

Verified by Blackstone

COMMENTS

Blackstone purchased a preferred equity interest in the property from RFR Holding LLC at a purchase price that equals $1.2 billion based on 100 percent interest in the property. The property consists of a modern 38-story Class A multi-tenant office building built in 1957 containing 850,432 rentable square feet. The Seagram Building, built by Joseph E. Seagram & Sons in 1957, is an International Style landmarked “boutique” office building designed of glass curtain wall designed by Ludwig Mies van der Rohe and Philip Johnson. The glass curtain wall façade and perimeter (including interior light fixtures visible from the outside) of the building has been designated as a historic landmark. The ground floor includes the Four Seasons Restaurant, a large granite outdoor plaza with water fountains, and the main lobby which contains Picasso Alley. The Concourse A level is a semi-basement level with partial street access which includes the Brasserie Restaurant. The Concourse B level contains 150 space parking garage.

2 Grand Central Tower
140 East 45th Street
Between Lexington & Third Avenues
New York NY 10017
MSA: New York
New York (Manhattan) County
New York, Midtown - Grand Central

Property Type:	Office
Property Subtype:	Mixed Use - Office/Retail
ID:	203253
APN:	Block: 1299 Lot: 27

PROPERTY INFORMATION

Site Area (Acres):	0.40	Number of Buildings:	1
Site Area (SqFt):	17,575	Number of Stories:	43
Gross Bldg Area:	632,305	Class:	A
Net Bldg Area:	667,000	Number of Parking Spaces:	N/A
Year Built:	1983	Parking Ratio:	N/A
Last Renovation:	N/A	Tenancy Type:	Multi-Tenant
Quality:	Excellent		
Condition:	Excellent		

SALE INFORMATION

Sale Status:	Recorded Sale	OAR:	3.59%
Transaction Date:	9/2011	NOI:	$14,355,000
Sale Price:	$400,000,000	NOI per SqFt:	$21.52
Price per SqFt:	$599.70	Occupancy:	96.00%
Value Interest:	Leased Fee	Expense Ratio:	N/A
Grantor:	2 GCT Partners LLC	EGIM:	13.66
Grantee:	Rockwood Capital	Buying Entity:	Investor
Condition of Sale:	N/A		

VERIFICATION COMMENTS

Boston Properties

COMMENTS

Sale of a Class A office located at 140 East 45th Street on the south side of East 45th Street through block to East 44th Street between Lexington and Third Avenues. The building was constructed in 1983 by the Macklowe Organization. The property was leased up in 2004-2005 following JP Morgan Chase vacating the building. The seller is a joint venture of Boston Properties, Goldman Sachs and Meraas Capital. The joint venture acquired the property from Macklowe Properties in 2008 for $427,930,000, which included the assumption of a $190 million mortgage.

650 Madison Avenue
Between 59th & 60th Streets
New York NY 10065
MSA: New York
New York (Manhattan) County
New York, Midtown - Madison/Fifth Avenue

Property Type:	Office
Property Subtype:	Office Building - High Rise
ID:	204636
APN:	Block: 1374 Lot: 14

PROPERTY INFORMATION

Site Area (Acres):	0.81	Number of Buildings:	1
Site Area (SqFt):	35,300	Number of Stories:	27
Gross Bldg Area:	449,876	Class:	A
Net Bldg Area:	603,666	Number of Parking Spaces:	N/A
Year Built:	1987	Parking Ratio:	N/A
Last Renovation:	N/A	Tenancy Type:	Multi-Tenant
Quality:	Excellent		
Condition:	Excellent		

SALE INFORMATION

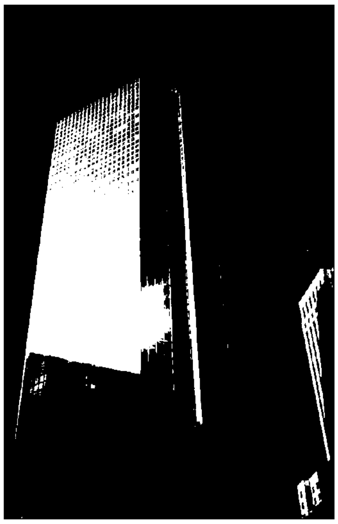
Sale Status:	Recorded Sale	OAR:	3.61%
Transaction Date:	9/2011	NOI:	$34,249,493
Sale Price:	$950,000,000	NOI per SqFt:	$56.74
Price per SqFt:	$1,573.72	Occupancy:	94.00%
Value Interest:	Leased Fee	Expense Ratio:	N/A
Grantor:	Carlyle Group JV Ashkenazy	EGIM:	19.93
Grantee:	AREA / China Investment Corp.	Buying Entity:	Investor
Condition of Sale:	N/A		

VERIFICATION COMMENTS

Ashkenazy

COMMENTS

AREA Property Partners and China Investment Corporation purchased a preferred equity interest in the property from The Carlyle Group JV Ashkenazy Acquisition Corp. at a purchase price that equals $990,000,000 based on 100 percent interest in the property. As part of the transaction, the entire capital stack was restructured. This is a Class A office building located on Madison Avenue. The current weighted average contract office rents are $75.32 per square foot. Only 33 percent of the leases are set to expire within the next ten years. The largest tenant is Polo Ralph Lauren who currently leases over 240,000 square feet through December 2024. The largest retail store is leased to Crate & Barrel who occupies vertical retail space containing 69,139 square feet located on the basement through 2nd floors of the building. The lease with Crate & Barrel is below market and provides two, 5-year renewal options when their lease expires in March 2009. The property was previously purchased in April 2008 by Ashkenazy Acquisitions Corp. from Hiro Real Estate LLC for $690 million.



Park Avenue Plaza
55 East 52nd Street
New York NY 10055
MSA: New York
New York (Manhattan) County
New York, Midtown - Park Avenue

Property Type:	Office
Property Subtype:	Office Building - High Rise
ID:	206123
APN:	N/A

PROPERTY INFORMATION

Site Area (Acres):	1.05	Number of Buildings:	1
Site Area (SqFt):	45,845	Number of Stories:	44
Gross Bldg Area:	1,064,223	Class:	A
Net Bldg Area:	1,136,977	Number of Parking Spaces:	N/A
Year Built:	1981	Parking Ratio:	N/A
Last Renovation:	N/A	Tenancy Type:	Multi-Tenant
Quality:	Excellent		
Condition:	Excellent		

SALE INFORMATION

Sale Status:	Recorded Sale	OAR:	3.94%
Transaction Date:	9/2011	NOI:	$43,381,595
Sale Price:	$1,100,000,000	NOI per SqFt:	$38.16
Price per SqFt:	$967.48	Occupancy:	100.00%
Value Interest:	Leased Fee	Expense Ratio:	N/A
Grantor:	Rockpoint Group	EGIM:	14.19
Grantee:	Confidential	Buying Entity:	Investor
Condition of Sale:	N/A		

VERIFICATION COMMENTS

Fisher Brothers

COMMENTS

Rockpoint Group sold a 49 percent minority interest in the property to an unnamed high-net-worth investor at a purchase price that equals approximately $1.1 billion based on 100 percent interest in the property. The largest tenant is McKinsey & Company, who leases approximately 22 percent of the property's rentable area through July 2019; Aon Service Corp., which currently leases approximately 22 percent of the property's rentable area through April 2023; and Blackrock, which leases approximately 23 percent of the property's rentable area through April 2023. The remaining large office tenants include Swiss Re and Morgan Stanley. The property was constructed in 1981 by Fisher Brothers who is the majority interest partner. The Rockpoint Group previously purchased a 49 percent joint-control equity interest in the building from Fisher Brothers in June 2010 at a purchase price of $330 million, which equals approximately $673 million based on 100 percent interest in the property.

ADDENDUM C: APPRAISER'S CERTIFICATIONS

UNIQUE ID NUMBER

State of New York
Department of State
DIVISION OF LICENSING SERVICES

FOR OFFICE USE ONLY
Control No.

EFFECTIVE DATE

... ARTICLE 6E OF THE ... APPRAISERS

06 05

EXPIRATION DATE

06 04

... FIELD INC
... MERICAS

... BUSINESS AS A

CESAR A. PERALES
SECRETARY OF STATE

UNIQUE ID NUMBER
46000004620

State of New York
Department of State
DIVISION OF LICENSING SERVICES

FOR OFFICE USE ONLY
Control No. 57219

EFFECTIVE DATE
MO DAY YR
12 08 10

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

EXPIRATION DATE
MO DAY YR
12 07 12

NARDELLA ROBERT S
C/O CUSHMAN & WAKEFIELD INC
1290 AVENUE OF THE AMERICAS
9TH FL
NEW YORK, NY 10104

HAS BEEN DULY CERTIFIED TO TRANSACT BUSINESS AS A R.E. GENERAL APPRAISER

In Witness Whereof, The Department of State has caused its official seal to be hereunto affixed.

RUTH NOEMI COLON
ACTING SECRETARY OF STATE

DOS 1098 (Rev. 3/01)

CUSHMAN & WAKEFIELD
VALUATION & ADVISORY

UNIQUE ID NUMBER
?5000048506

State of New York
Department of State
DIVISION OF LICENSING SERVICES

FOR OFFICE USE ONLY
Control No. 62356

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

EFFECTIVE DATE
11 05 11

EXPIRATION DATE
11 04 13

PAPAGIANOPOULOS NAOUM M
C/O CUSHMAN & WAKEFIELD
1290 AVENUE OF THE AMERICAS
9TH FL
NEW YORK, NY 10104-6178

HAS BEEN DULY CERTIFIED TO TRANSACT BUSINESS AS A R.E. GENERAL APPRAISER

CESAR A. PERALES
SECRETARY OF STATE

CUSHMAN & WAKEFIELD
VALUATION & ADVISORY

ADDENDUM D: QUALIFICATION OF THE APPRAISER

PROFESSIONAL QUALIFICATIONS

Douglas H. Larson
Executive Director
Valuation & Advisory

Mr. Larson is actively involved in appraising various property types including office, industrial, and retail developments. Assignments include appraisal and advising services to institutional lenders and financiers, investment banking firms, brokerage, domestic/international investors and pension/insurance funds. Mr. Larson's experience also involves financial modeling and property valuation, loan review and due diligence of diverse assets. Appraisal and consulting assignments have been completed for mortgage loan purposes, arbitrations, allocations, estates, and assisting in the decision-making process in the acquisition, disposition and marketing of real estate.

Experience
Mr. Larson is an Executive Director with the New York Valuation & Advisory group of Cushman & Wakefield, Inc., an international, full-service real estate organization. He has wide experience on a variety of property types, including Class A office buildings, apartment buildings, shopping centers, regional malls, motels and hotels, manufacturing plants, warehouses and mixed-use projects from 1993 to present.

Arthur Anderson & Co., Phoenix, Arizona, preparing real property appraisals and portfolio analysis used in marketing, leasing and sale of complex assets for bulk sale, internal and annual loan review, acquisition and disposition. Performed marketability and feasibility studies, market analysis, and consulting on real estate within the western United States (1992 to 1993).

Bank One of Arizona, Phoenix, Arizona, preparing and reviewing real property appraisals for compliance of OCC standards and FIRREA guidelines (1990 to 1992).

Appraisal Experience – New York City Office Buildings
Extensive experience in the analysis and valuation of New York City office buildings and mixed-use properties and institutional office buildings. The primary market area of concentration is Manhattan where over 300 office buildings were appraised within the last five years. Notable office building assignments include the following:

- World Trade Center
- World Financial Center
- General Motors Building
- 745 Seventh Avenue (Barclays)
- Empire State Building
- 9 West 57th Street
- Rockefeller Center
- Chrysler Center
- Worldwide Plaza
- AOL/Time Warner
- Bloomberg Headquarters
- Citigroup Center

Special Purpose Property Experience
Diversified experience in the preparation of appraisals and market studies of, as well as consultation for, industry specific real estate including hospitals and medical centers:

- New York Presbyterian Hospital
- Hospital for Special Surgery
- Manhattan Eye, Ear and Throat Hospital
- St. Luke's Hospital

CUSHMAN & WAKEFIELD

Consulting and Arbitration Experience
Varied commercial real estate experience in New York City for the past 17 years. Notable recent assignments included:

Consultant to the Port Authority of New York and New Jersey in selecting their alternatives for disposition of the World Trade Center, a seven building office and retail complex in lower Manhattan.

Conducted all aspects of financial analysis of commercial real estate, including benefits and costs of property ownership, as well as asset and property management reorganization; accomplished privatization over a five-year period, resulting in the sale of the leasehold interest in the World Trade Center, at the time the largest office complex in the world.

Education
Arizona State University, Tempe, Arizona
Bachelor of Science
Double Majors in Economics & Sociology

Appraisal Education
Successfully completed all New York State required appraisal courses and satisfied all educational requirements as set forth by the Appraisal Institute.

Memberships, Licenses and Professional Affiliations

- Associate Member of the Appraisal Institute – Metropolitan New York Chapter

- Mr. Larson is a duly Certified General Real Estate Appraiser, # 46000039300, expiring 06/04/12, according to the Department of State of the State of New York.

PROFESSIONAL QUALIFICATIONS

Naoum M. Papagianopoulos
Director
Valuation & Advisory

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

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

Appraisal Experience – New York City Office Buildings
Extensive experience in the analysis and valuation of New York City office buildings and mixed-use properties and institutional office buildings. The primary market area of concentration is Manhattan where over 300 office buildings were appraised within the last five years. Notable office building assignments include the following:

- World Trade Center
- World Financial Center
- General Motors Building
- 745 Seventh Avenue (Barclays)
- Empire State Building
- 9 West 57th Street
- Rockefeller Center
- Chrysler Center
- Worldwide Plaza
- 667 Madison Avenue
- 60 Wall Street
- MetLife Building

Special Purpose Property Experience
Diversified experience in the preparation of appraisals and market studies of, as well as consultation for, industry specific real estate including hospitals and medical centers:

- New York Presbyterian Hospital
- Hospital for Special Surgery
- Manhattan Eye, Ear and Throat Hospital
- St. Luke's Hospital

Education
Baruch College, New York, NY
Zicklin School of Business
Masters of Business Administration, June 1999
Major in Finance

American College of Thessalonica
Bachelor of Arts, June 1996
Major in Business Administration

CUSHMAN & WAKEFIELD

Appraisal Education

Successfully completed all New York State required appraisal courses and satisfied all educational requirements as set forth by the Appraisal Institute.

Memberships, Licenses, and Professional Affiliations

- State of New York Certified General Real Estate Appraiser, License #46000048506
- Associate Member of the Appraisal Institute – Metropolitan New York Chapter

PROFESSIONAL QUALIFICATIONS

Robert S. Nardella, MAI, MRICS

Senior Managing Director
Valuation & Advisory

Background
Robert S. Nardella is a Senior Managing Director of Cushman & Wakefield, Inc., working within the Valuation & Advisory Group. Mr. Nardella joined Cushman & Wakefield, Inc. in February 1987 while still attending college. He graduated from Pace University's Lubin School of Business, Class of 1987, with a Bachelor of Business Administration in Finance, and earned a Masters in Real Estate from New York University in 1997.

In March of 1993, Mr. Nardella was named Associate Director of Cushman & Wakefield, Inc. He was further promoted to Director in December 1994 and to Senior Director in September 2006. Mr. Nardella has received the Excellence in Quality Service Award for the Valuation Advisory division in the New York region, and was named Quality Control Manager for the New York region in 2004. Other appointments include National Account Manager of several key Cushman & Wakefield relationships, as well as service on the Career Development Committee. In January 2007, Mr. Nardella was appointed Operations Manager of the New York office within Valuation & Advisory, and was named Managing Director in June 2008. In January 2010, Mr. Nardella was named Senior Managing Director and Regional Manager for New York and New Jersey V&A operations.

Real Estate Experience
Since joining Cushman & Wakefield, Inc., Mr. Nardella has performed appraisal, feasibility and consulting assignments involving vacant land, developable air rights, office buildings, proposed and existing regional malls, shopping centers, industrial and residential complexes, condominiums, and investment properties throughout 25 states.

Education
Pace University - Bachelor of Science, Finance – June 1987
New York University – Masters in Real Estate – January 1997

Appraisal Education
Mr. Nardella has successfully completed all courses and requirements to qualify for the MAI designation, and has currently completed the requirements under the continuing education program of the Appraisal Institute.

Memberships, Licenses and Professional Affiliations
- Designated Member of the Appraisal Institute (MAI designation achieved 1997)
- Member, Royal Institute of Chartered Surveyors (MRICS)
- State of New York Certified General Real Estate Appraiser, License No. 46000004620
- State of New Jersey Certified General Real Estate Appraiser, License No. 42RG00230800