



Steven M. Sinacori

Akerman Senterfitt LLP
666 Fifth Avenue
20th Floor
New York, NY 10103
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RECEIVED

OCT - 4 2013

BY COMMUNITY BOARD 8

September 25, 2013

VIA HAND DELIVERY

Ms. Meenakshi Srinivasan
Chairperson
NYC Board of Standards and Appeals
40 Rector Street, 9th Floor
New York, NY 10022

Re: 321 E 60th Street, Manhattan
Block: 1435 Lot: 15

Dear Chairperson Srinivasan:

Enclosed please find a variance application filed on behalf of 321-23 East 60th Street LLC (the "Applicant"). The proposed application requests to vary the requirements of the New York City Zoning Resolution ("ZR"), to permit within a C8-4 commercial district, the construction of an eight-story residential building, containing 28 dwelling units which would not comply with the use regulations of ZR § 32-10.

If you have any further questions or require additional information, please contact me at (212) 822- 2212. Thank you for your continued time and consideration.

.Sincerely,

Steven M. Sinacori

akerman.com

BOCA RATON DALLAS DENVER FORT LAUDERDALE JACKSONVILLE LAS VEGAS LOS ANGELES MADISON MIAMI NAPLES
NEW YORK ORLANDO PALM BEACH SALT LAKE CITY TALLAHASSEE TAMPA TYSONS CORNER WASHINGTON, D.C.
WEST PALM BEACH

{27171872;1}



City of New York
Board of Standards and Appeals
40 Rector Street, 9th Floor
New York, NY 10006-1705
Phone: (212) 788-8500
Fax: (212) 788-8769
www.nyc.gov/bsa

ZONING (BZ) CALENDAR
Application Form

RECEIVED
OCT 4 2013

BSA APPLICATION NO. _____
CEQR NO. _____

Section A

Applicant/
Owner

Akerman Senterfitt, LLP

NAME OF APPLICANT O
666 5th Avenue, 19th Floor

ADDRESS ADDRESS
New York, NY 10103

CITY STATE ZIP
212. 822. 2212

AREA CODE TELEPHONE
212. 905.6443

AREA CODE FAX ADDRESS
steven.sinacori@akerman.com

EMAIL

BY COMMUNITY BOARD 8

321-29 East 60th Street LLC

OWNER OF RECORD

969 Third Avenue - Suite 4J

New York, NY 10022

CITY STATE ZIP

LESSEE / CONTRACT VENDEE

CITY STATE ZIP

Section B

Site
Data

321 East 60th Street

STREET ADDRESS (INCLUDE ANY A/K/A)

10022

ZIP CODE

Northeast corner of East 60th Street and the Ed Koch Queensboro Bridge Exit

DESCRIPTION OF PROPERTY BY BOUNDING OR CROSS STREETS

1435

15

Manhattan

8

N/A

BLOCK

LOT(S)

BOROUGH

COMMUNITY DISTRICT

LANDMARK/HISTORIC DISTRICT

Jessica S. Lappin

C8-4

8c

CITY COUNCIL MEMBER

ZONING DISTRICT

(Include special district, if any)

ZONING MAP NUMBER

Section C

Dept of Building
Decision

BSA AUTHORIZING SECTION(S) (§) 72-21

for ☒ VARIANCE ☐ SPECIAL PERMIT (Including 11-41)

Section(s) of the Zoning Resolution to be varied § 32-10.

DOB Decision (Objection/ Denial) date: 9.20.13

Acting on Application No: 121331362

Section D

Description

(LEGALIZATION ☐ YES ☒ NO ☐ IN PART)

A use variance application to vary the requirements of the Zoning Resolution to permit, within a C8-4 commercial zoning district, the construction of an eight-story residential building containing 28 dwelling units which would not comply with the use regulations of ZR § 32-10.

Section E

BSA History
and
Related Actions

If "YES" to any of the below questions, please explain in the STATEMENT OF FACTS

YES NO

1. Has the premises been the subject of any previous BSA application(s)? ☐ ☒

PRIOR BSA APPLICATION NO(S): _____

2. Are there any applications concerning the premises pending before any other government agency?.... ☐ ☒

3. Is the property the subject of any court action?..... ☐ ☒

Section F

Signature

I HEREBY AFFIRM THAT BASED ON INFORMATION AND BELIEF, THE ABOVE STATEMENTS AND THE STATEMENTS CONTAINED IN THE PAPERS ARE TRUE.

Steven M. Sinacori
Signature of Applicant, Corporate Officer or Other Authorized Representative

SWORN TO ME THIS 24th DAY OF Sept 2013

Steven M. Sinacori

Attorney

Print Name

Title

Jessica M. Meija
NOTARY PUBLIC

JESSICA M. MEIJA
Notary Public, State of New York
No. 01ME6082829
Qualified in New York County
Commission Expires February 28, 2015

DEPARTMENT OF BUILDINGS CERTIFICATE OF OCCUPANCY

BOROUGH A. MATTAN

DATE: APR 14 1967 NO. 81235

This certificate supersedes C-1 No. 48649

ZONING DISTRICT C 8-4

THIS CERTIFIES that the new ~~xxx~~ altered ~~xxxxx~~ existing building premises located at

321 East 60th Street

Block 1435 Lot

CONFORMS SUBSTANTIALLY TO THE APPROVED PLANS AND SPECIFICATIONS AND TO THE REQUIREMENTS OF ALL LAWS, RULES, AND REGULATIONS FOR THE USES AND OCCUPANCIES SPECIFIED HEREIN

PERMISSIBLE USE AND OCCUPANCY

LINE	DESCRIPTION	QTY	UNIT	PRICE	TOTAL	REMARKS
1st	O.C.	2	-	-	8	-
Public parking lot for 44 motor vehicle and temporary atten shelter						
TOTAL: Public Parking Lot						
New-Code						

THAT THE ZONING LOT ON WHICH THE PREMISES IS LOCATED IS BOUNDED AS FOLLOWS

BEGINNING at a point on the North side of East 60th Street
 distant 300' East feet from the corner formed by the intersection of
 East 60th Street and Second Avenue
 running thence east 50' feet; thence north 100.5' feet;
 thence west 50' feet; thence south 100.5' feet;
 thence feet; thence feet;
 thence feet; thence feet;
 to the point or place of beginning.

or ALT. No. 478/79 DATE OF COMPLETION 3/23/81 CONSTRUCTION CLASSIFICATION -
 BUILDING OCCUPANCY GROUP CLASSIFICATION HEIGHT - STORIES, - FEET
 Commercial

THE FOLLOWING FIRE DETECTION AND EXTINGUISHING SYSTEMS ARE REQUIRED AND WERE INSTALLED IN COMPLIANCE WITH APPLICABLE LAWS.

	YES	NO		YES	NO
STANDPIPE SYSTEM			AUTOMATIC SPRINKLER SYSTEM		
YARD HYDRANT SYSTEM					
STANDPIPE FIRE TELEPHONE AND SIGNALLING SYSTEM					
SMOKE DETECTOR					
FIRE ALARM AND SIGNAL SYSTEM					

STORM DRAINAGE DISCHARGES INTO:

- A) STORM SEWER ☐ B) COMBINED SEWER ☐ C) PRIVATE SEWAGE DISPOSAL SYSTEM ☐

SANITARY DRAINAGE DISCHARGES INTO:

- A) SANITARY SEWER ☐ B) COMBINED SEWER ☐ C) PRIVATE SEWAGE DISPOSAL SYSTEM ☐

LIMITATIONS OR RESTRICTIONS:

BOARD OF STANDARDS AND APPEALS CAL. NO. _____
 CITY PLANNING COMMISSION CAL. NO. _____
 OTHERS. _____



NYC Development Hub
Department of Buildings
80 Centre Street
Third Floor
New York, New York 10013
nycdevelopmenthub@buildings.nyc.gov

Notice of Comments

Owner: Jason Enters

Townhouse Property Group
969 Third Avenue, 4J NY, NY 10022

Applicant: Gerald Caliendo RA

138-72 Queens Blvd, Briarwood NY 11435

Date: May 30 2013

Job Application #: 121331362

Application type: NB

Premises Address: 321 E 60th Street

Zoning District: C8-4

Block: 1435 Lot: 15 Doc(s):

Lead Plan Examiner at NYC Development Hub: Shauqat Shaikh

Examiner's Signature:

Obj. #	Doc #	Section of Code	Comments	Date Resolved	Comments
1.		ZR 32-11	Proposed residential use (UG2) within C8-4 zoning district is not permitted; contrary to ZR 32-11		

REVIEWED BY

Jed Weiss

Executive Zoning Specialist

DENIED

For Appeal to Board of
Standards and Appeals

Date/Time: May 30, 2013 - 7:00 PM

REVIEWED BY

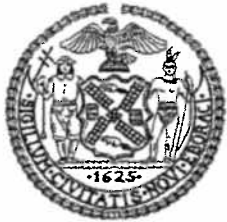
Jed Weiss

Executive Zoning Specialist

DENIED

For Appeal to Board of
Standards and Appeals

Date/Time: Sep 20, 2013 - 5:35 PM



BOARD OF STANDARDS AND APPEALS

40 Rector Street, 9th Floor

New York, New York 10006-1705

Phone: (212) 788-8500

www.nyc.gov/bsa

AFFIDAVIT OF OWNERSHIP AND AUTHORIZATION

Affidavit of Ownership

Sean Lavin

, being duly sworn, disposes and says that (s)he resides
at 5 Clark Street, in the City of Greenwich, in the County of Fairfield, in the
State of Connecticut; that 321-23 East 60th Street LLC is the owner in fee of all that certain
lot, piece or parcel of land located in the Borough of Manhattan, in the City of New York
and known and designated as Block 1435, Lot(s) 15, Street and House Number
321 East 60th Street; and that the statement of facts in the annexed application are true.

Check one of the following conditions:



Sole property owner of zoning lot



Cooperative Building



Condominium Building



Zoning lot contains more than one tax lot and property owner

Owner's Authorization

The owner identified above hereby authorizes Steven Sinacori Esq. of Akerman Senterfitt, LLP
to make the annexed application in her/his behalf.

Signature of Owner

Print Name

Sean Lavin

Print Title

Managing Member

Sworn to before me this 13th day

of September 2013

JESSICA M MEJIA
Notary Public, State of New York
No. 01ME6082829
Qualified in New York County
Commission Expires February 28, 2015

JESSICA M. PRADO
Notary Public, State of New York
No. 01P6082829
Qualified in Westchester County
Commission Expires November 04, 2006

Revised December 8, 2011



**STATEMENT OF FACT AND FINDINGS
SUBMITTED IN SUPPORT OF AN APPLICATION FOR A VARIANCE
PURSUANT TO THE PROVISIONS OF
THE NEW YORK CITY ZONING RESOLUTION**

Affected Premises:

321 East 60th Street, Manhattan
Block 1435, Lot 15 (the "Site")

akerman.com

BOCA RATON DALLAS DENVER FORT LAUDERDALE JACKSONVILLE LAS VEGAS LOS ANGELES MADISON MIAMI NAPLES
NEW YORK ORLANDO PALM BEACH SALT LAKE CITY TALLAHASSEE TAMPA TYSONS CORNER WASHINGTON, D.C.
WEST PALM BEACH

{27099118;1}

Introduction

This statement of facts and proposed findings is submitted on behalf of 321-23 East 60th Street LLC (the "Applicant"), in support of an application pursuant to Section 72-21 of the New York City Zoning Resolution ("ZR") and Section 666 of the New York City Charter, for a variance from the requirements of the Zoning Resolution to permit, within a C8-4 commercial district, the construction of an eight-story residential building, containing 28 dwelling units which would not comply with the use regulations of ZR § 32-10.

The Site

The Site is a 3,748.78 square foot, irregularly-shaped zoning lot is located immediately adjacent to the approach to the Ed Koch Bridge. The Site has a depth of 100 feet and a width that ranges from 48.33 feet at its widest and most northern portion to 8.15 feet at its East 60th street frontage. As evidenced by the attached 1958 Certificate of Occupancy, the Site has been used as a parking lot for over 50 years. The entire site is situated within a C8-4 district which does not permit the proposed residential use on an as-of-right basis.

Despite its commercial zoning, this portion of Block 1435 to the east of the Ed Koch Bridge approach is primarily residential or mixed-use in nature. As illustrated by the attached Sanborne Map, 17 of the 20 other lots on this portion of the block are either solely residential or mixed-use with ground floor commercial use and residential use above.

As-of-Right Development

An as-of-right development would be an eight-story mixed use building containing community facility use on the second floor and the third floor, commercial office use on floors three through eight, and accessory parking on the ground floor level. The as-of-right building would have a total floor area of 24,368.5 square feet (6.5 FAR), separated as 18,745 square feet (5.0 FAR) for commercial use and 5,623.5 square feet (1.5 FAR) for community facility use. The as-of-right building would be of block construction on the north and east property lines and curtain wall on

the curving façade. Given the unique conditions of the Site, an as-of-right development would not be feasible.

The unique shape of the lot with its varying width does not provide for an efficient floor plate for a conforming commercial or office use. As illustrated on the as-of-right plans, the 3,351 square foot as-of-right floor plate with varying width from approximately 48 feet to 17 feet does not provide for an efficient or marketable floor plate given the requirements for 2 sets of stairs, elevator banks as well as hallways. Additionally, as described in greater detail below, the curved lot line of the zoning lot results in increased costs stemming from longer construction sidewalks and fences, as well as a greater façade area.

The Site's location immediately adjacent to the Ed Koch Bridge and the Roosevelt Island Tram, further encumbers construction on the zoning lot. There is a substantial amount of added cost tied to the inability to locate and utilize a construction crane on the Site, as well as increased supervision, mobilization, permits, insurance and engineering costs. The already shallow lot depth is further encumbered with a varying lot width, providing logistical construction difficulties including location of additional construction equipment and mobilization concerns.

The Proposal

The proposed 93 foot high, 24,368.5 square foot building would have the same building envelope and FAR, but would contain 28 residential units. The shallow width and shape of the zoning lot lend themselves far better for the proposed smaller residential units currently contemplated as one- and two-bedroom units ranging in size from 600 to 763 square feet in size. The proposed building would be of block construction on the north and east property lines and curtain wall on the curving façade. As described in greater detail below, the 28 residential units is the minimum amount necessary for this project to be economically viable. Given the Site's unique combination of irregular shape, shallow width and adjacency to the Ed Koch Bridge, we believe that the requested waivers are warranted.

DISCUSSION

The required findings set forth in section 72-21 of the Zoning Resolution are satisfied regarding this application.

- A. There are unique physical conditions, including irregularity, narrowness or shallowness of lot size or shape, or exceptional topographical or other physical conditions peculiar to and inherent in the particular zoning lot, as a result of which practical difficulties or unnecessary hardship arise in complying strictly with the use or bulk provisions of the Resolution, and the alleged practical difficulties or unnecessary hardship are not due to circumstances created generally by the strict application of such provisions in the neighborhood or district in which the zoning lot is located.

Due to the Site's irregular shape, shallow width and location immediately adjacent to the Ed Koch Bridge, the owner is unable to construct a conforming development which would earn a reasonable rate of return and therefore requires a zoning variance from your Board for a waiver of the requirements of ZR § 32-11.

The unique shape of the lot with its varying width does not provide for an efficient floor plate for a conforming commercial or office use. As illustrated on the as-of-right plans, the 3,351 square foot as-of-right floor plate with varying width from approximately 48 feet to 17 feet does not provide for an efficient or marketable floor plate given the requirements for 2 sets of stairs, elevator banks as well as hallways.

Additionally, due to the combination of the shallow width as well as the Site's location adjacent to the Ed Koch Bridge, there is a substantial amount of added cost tied to the construction work. The general conditions will increase in tandem with the sitework costs. The existence of the Ed Koch Bridge and increased construction costs translates into additional supervision requirements, higher insurance costs and potential seismic monitoring that is not otherwise needed with a conventional foundation system.

As outlined in the attached construction cost reports from McQuilkin Associates, LLC the Site's shallow configuration and Ed Koch Bridge adjacency results in an estimated increased construction cost of \$900,659. McQuilkin Associates, LLC has provided two proposals: one which contemplates the construction of an eight-story building of block construction on the north and east property lines and curtain wall on the curving façade at the actual Site, and another which contemplates a Site with comparable total lot area but without the adjacency to the Ed Koch Bridge or irregular shaped zoning lot. Due to the unique shape of the zoning lot, costs for general construction requirements are estimated to increase due to: 1) longer sidewalk bridges and construction fences resulting from the necessary curved facade, 2) the greater quantity of sidewalks, curbs and plaza paving; and 3) increased costs of constructing a curved rather than straight façade. Due to the location of the Site immediately adjacent to the Ed Koch Bridge and Roosevelt Island Tram costs for sitework increases due to the inability to utilize a crane to erect a superstructure due to safety concerns and the subsequent necessary superstructure framing system. On a typical office building construction, the superstructure of the building would be steel and metal decking with concrete topping and spray fireproofing. Our construction team has determined that the only efficient and effective choice for the superstructure framing system for this site would be reinforced concrete which would be pumped rather than hoisted by the crane.

Given the Site's unique combination of irregular shape, shallow width and adjacency to the Ed Koch Bridge, we believe that the requested waivers are warranted.

B. Because of such physical conditions there is no reasonable possibility that the development of the zoning lot in strict conformity with the provisions of this Resolution will bring a reasonable return, and that the grant of a variance is therefore necessary to enable the owner to realize a reasonable return from such zoning lot.

JS Freeman Associates prepared an Economic Analysis Report (the "Report") studying two development scenarios; (i) the as-of-right site development, to include an 8-story mixed-use community facility and commercial building with parking located on the ground floor; and (ii) the proposed development of a 8-story residential buildings with parking located on the ground

floor level. The Report concludes that the as-of-right site development would contain significantly less value than the total development cost. The Report determined that the difference between the value of the capitalized net operating income of \$11,257,000 and the development cost of \$13,641,000 is (\$2,384,000). The as-of-right site development scenario fails to have a value that is sufficient to enable the owner to earn a reasonable return from such development.

The Report further concludes that the proposed mixed-use development would provide sufficient value to construct the proposed development, and therefore would be considered minimally sufficient to allow the development to proceed. The difference between the value of the capitalized net operating income of \$15,183,000 and the development cost of \$15,164,000 is \$19,000. The Proposed Development contains slightly more value than the total development cost and is a significant improvement over the As of Right Development alternative. The Report supports the facts outlined in the (a) finding and demonstrates that the unique conditions inherent in the Zoning Lot create an unnecessary hardship and practical difficulty in developing the Site in conformance with the Zoning Resolution.

C. The variance if granted will not alter the essential character of the neighborhood or district in which the zoning lot is located; will not substantially impair the appropriate use or development of adjacent Premises; and will not be detrimental to the public welfare.

The variance if granted will not alter the essential character of the neighborhood. As previously stated, the proposed building would be contextual with the surrounding residential context of Midtown Manhattan.

Despite its commercial zoning, this portion of Block 1435 to the east of the Queensboro Bridge approach is primarily residential or mixed-use in nature. As illustrated by the attached Sanborne Map, 17 of the 20 other lots on this portion of the block are either solely residential or mixed-use with ground floor commercial use and residential use above.

D. The practical difficulties or unnecessary hardship claimed as a ground for a variance have not been created by the owner or by a predecessor in title.

The practical difficulties and unnecessary hardships claimed as a ground for a variance have not been created by the owner or a predecessor in title.

E. The required variance is the minimum necessary to afford relief.

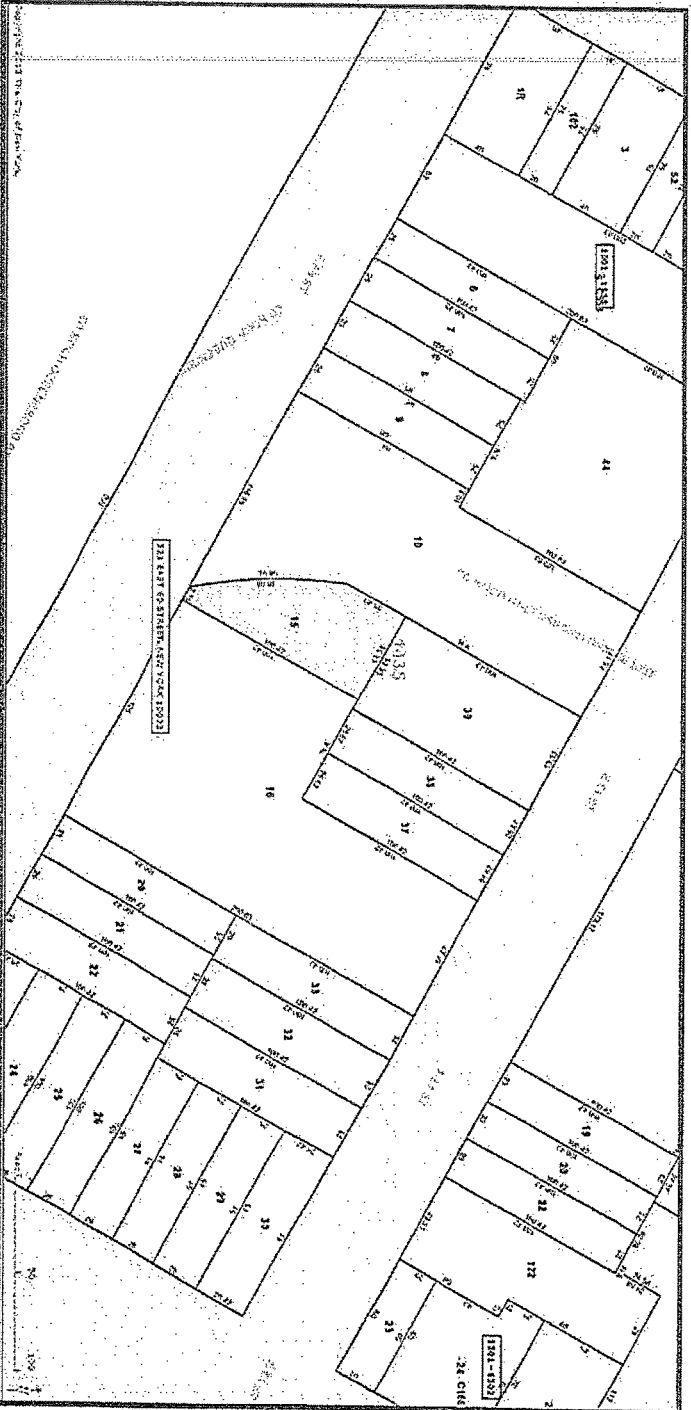
The proposed residential building comparable in height, use and bulk to its neighbors in the immediate vicinity as well as within Midtown Manhattan. Furthermore, as outlined in the financial feasibility study prepared by JS Freeman Associates, the difference between the value of the capitalized net operating income of \$15,183,000 and the development cost of \$15,164,000 is \$19,000. Accordingly, the requested variance is the minimum necessary to afford relief





















CONCLUSION

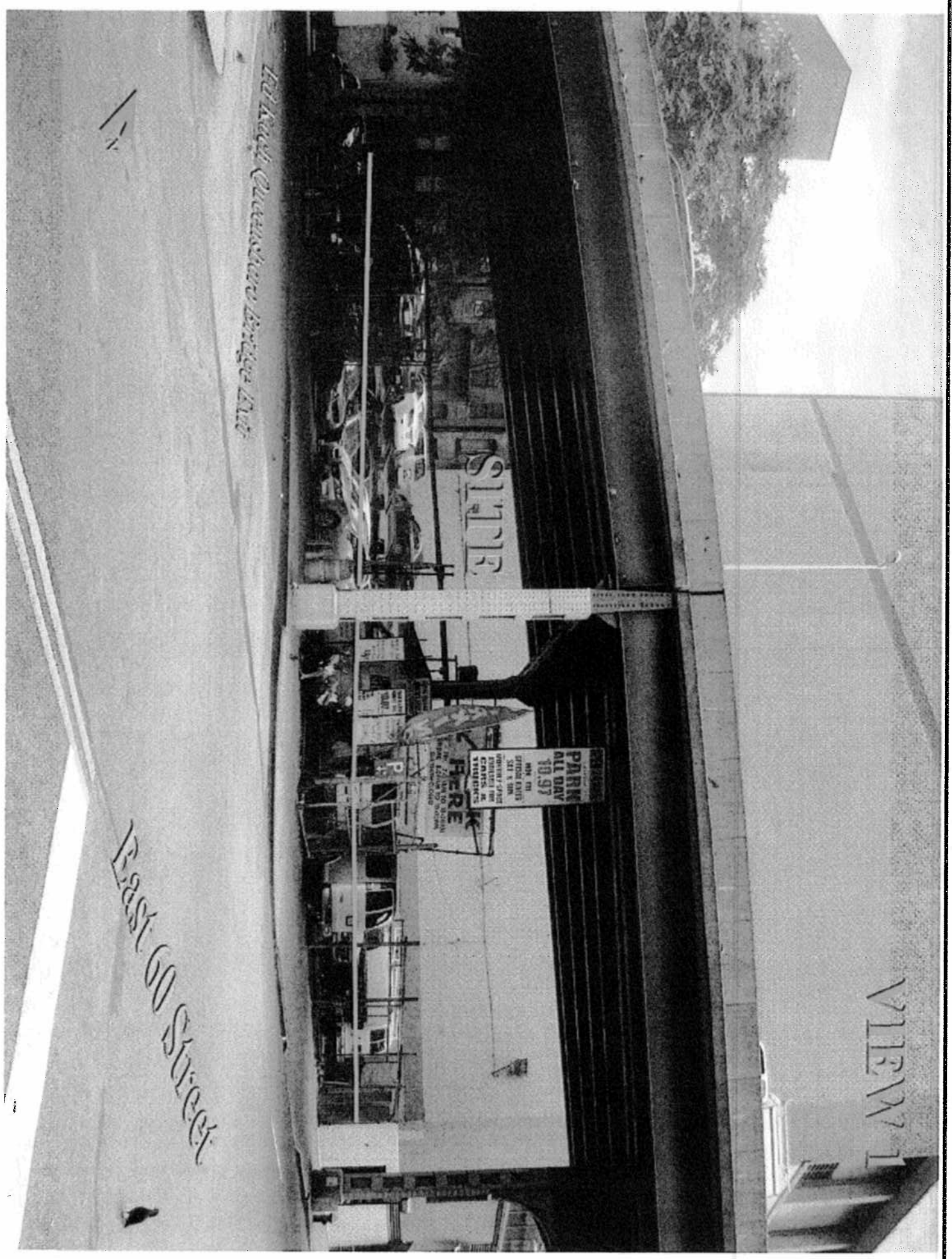
For each of the foregoing reasons, we respectfully request that the application be granted.

321 E 60th Street - 9/23/2013

Digital Tax Map - New York City Dept. of Finance



	Borough Boundary		C50	Condo Flag/Condo Number
	Tax Block Boundary		A50	Air Right Flag/Lot Number
	Tax Lot Boundary		S50	Subterranean Right Flag/Lot Number
	Tax Lot Boundary		R	REUC Flag
	50		50	Under Water Tax Lot Boundary
	50		50	Other Boundary
	50		50	Possession Hook
	4/5		4/5	Miscellaneous Text
	150 - 1250		150 - 1250	Small Tax Lot Dimension
	Building Footprint		Surface Water	



Edmund Curran Bridge Ave

East 60 Street

VIEW 1

VIEW 2

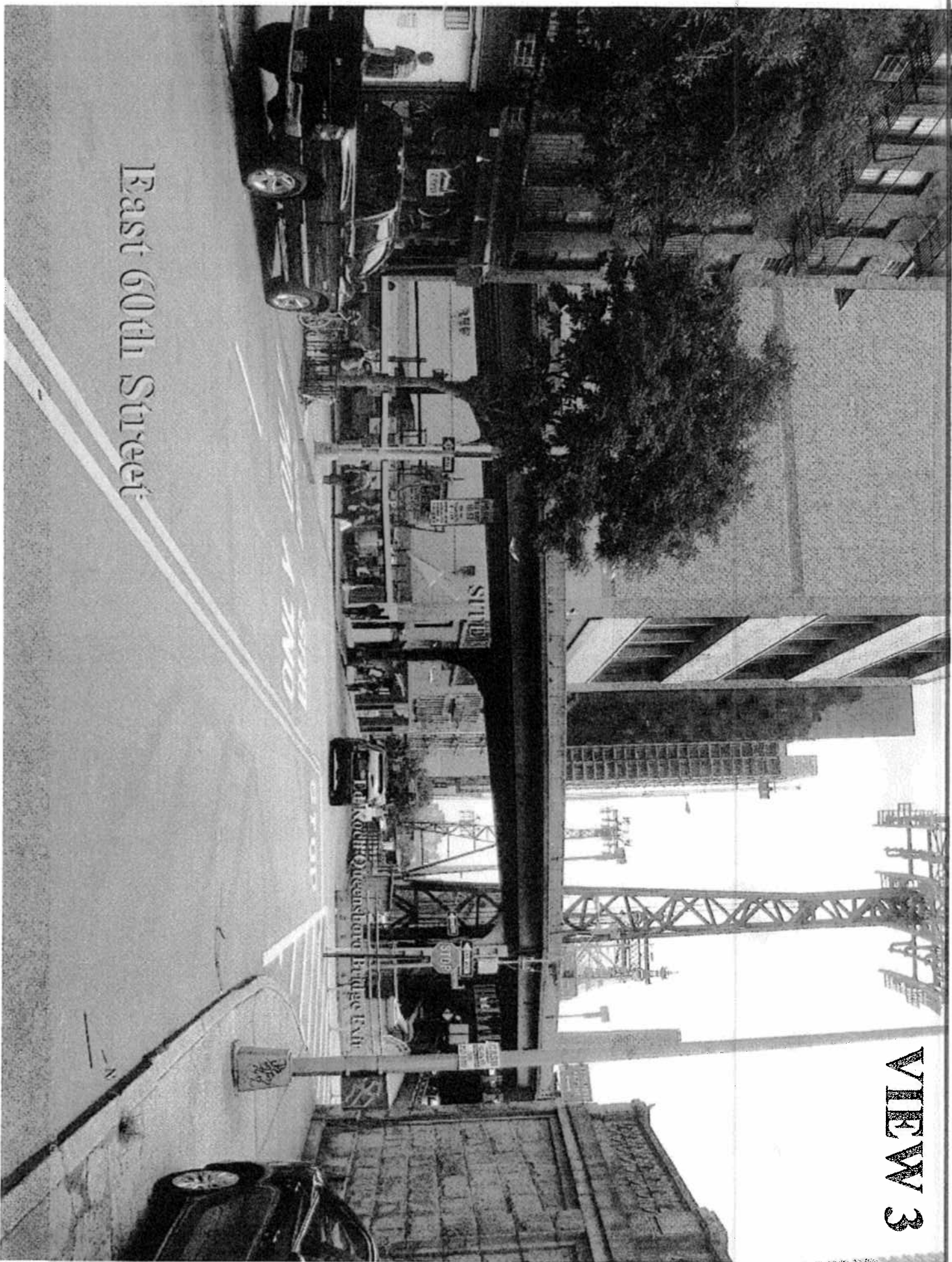
Ed Koch Queensboro Bridge Exit



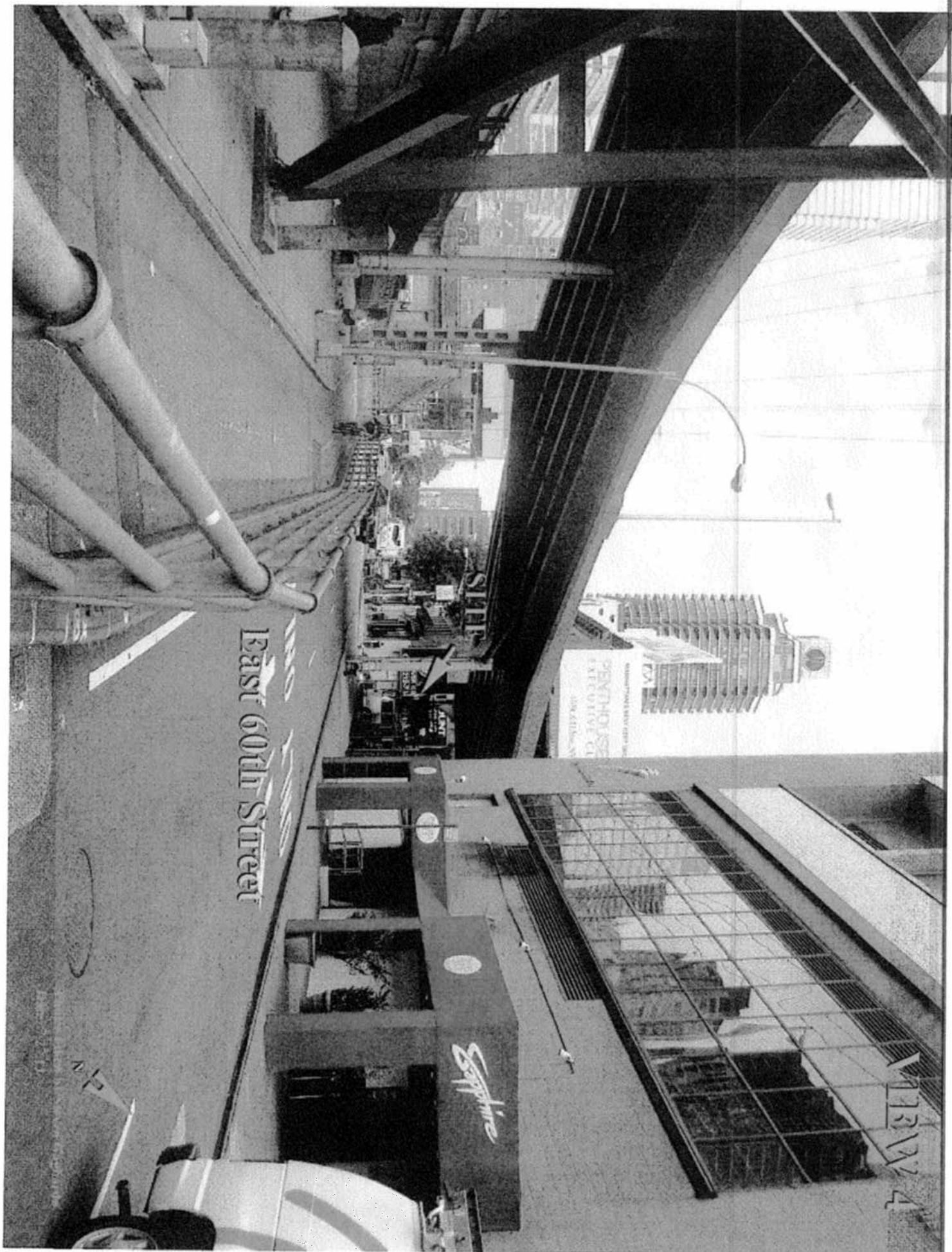
Photos taken by Steven Gaetlardo
Date:



VIEW 3



East 60th Street



VALLEY 5



East 60th Street

ECONOMIC ANALYSIS REPORT

321 EAST 60TH STREET

NEW YORK, NEW YORK

321-23 East 60th Street, LLC
September 10, 2013

J.S. Freeman Associates, Inc.
132 Nassau Street, Suite 1220
New York, New York 10038

1.00 Scope of Report

The purpose of this Report is to analyze the feasibility of two alternatives for the development of a site located at 321 East 60th Street, New York, New York. The alternatives considered include: 1) the As of Right Development (“As of Right Development”); 2) the Typical As of Right Development (“Typical As of Right Development”); and 3) the Proposed Development (“Proposed Development”). The Proposed Development option requires approval from the Board of Standards and Appeals.

The report includes detailed financial schedules that compare the ability of each development alternative to provide an acceptable return on the investment required to facilitate development. A summary of the economic characteristics of the As of Right Development and Proposed Development alternatives, including projected cash flows, and development costs, may be found on Schedules A and B.

Recent, verifiable comparable land sales were reviewed to establish the market in the vicinity of the subject property. A schedule of this review may be found as Schedule C.

Recent, verifiable community facility and commercial rents were reviewed to establish the potential space market in the vicinity of the subject property. A schedule of this review may be found as Schedules D and E.

Recent, verifiable rental apartments were reviewed to establish the potential market in the vicinity of the subject property. A schedule of this review may be found as Schedule F.

Recent, verifiable parking rents were reviewed to establish the potential market in the vicinity of the subject property. A schedule of this review may be found as Schedule G.

Financial feasibility, the ability to provide the developer and investor with the return of, and a reasonable return on capital invested, was analyzed for each alternative using actual and estimated costs, for acquisition, hard and soft construction costs and building operating expenses. These assumptions are detailed in subsequent sections of this Report.

1.10 Description of Property and Project Area

The subject property is an irregularly shaped lot located at 321 East 60th Street (Block 1435, Lot 15) with a depth of 100 feet and a width that ranges from 48.33 feet at its widest to 8.15 feet at its East 60th Street frontage. The site is immediately adjacent to the approach of the Ed Koch Bridge in the Lenox Hill neighborhood of Manhattan. The site has an area of approximately 3,749 sq. ft. There is an existing parking lot on the site.

The subject property is located in Manhattan Community Board #8. The Lenox Hill community is composed of a mix of rental and condominium apartment buildings, along with a variety of ground floor commercial uses, and mixed-use. The immediate vicinity of the site is mixed residential and commercial and transportation related.

1.20 Zoning Regulations

The present zoning for the property is C8-4.

The current floor area ratio (FAR) permitted by the Zoning Resolution for this district is 5.0. For commercial use, the maximum developable square footage permitted by C8-4 regulations for this site is 6.5 x 3,749 sq. ft. (total site area), which yields an allowable zoning floor area of 24,369 sq. ft.

Under the Proposed Development, the zoning floor area would be 24,369 sq. ft. The proposed development requires approval by the Board of Standards and Appeals for change in use to residential.

1.30 Property Ownership

321-23 East 60th Street, LLC owns the subject property.

The property is assessed in the 2012/13-tax year as follows:

	<u>Land</u>	<u>Total</u>
Target	\$500,850	\$500,850
Transitional	\$489,330	\$489,330

At a Class 4 tax rate of 10.288%, taxes on the property are estimated at \$50,342/year as per the NYC Department of Finance website.

The applicant in this BSA case is Steven Sinacori, Esq. of Akerman Senterfitt, LLP on behalf of 321-23 East 60th Street, LLC.

1.40 Development Alternatives

The alternatives analyzed include the As of Right Development and Proposed Development.

1.41 As of Right Development

The As of Right Development alternative would consist of new construction of an eight story mixed-use development with the following program:

The ground floor would have parking for nine vehicles and a building lobby. The second floor would have 3,607 sq.ft. of community facility space and a portion of the third floor would have 2,272 sq.ft. of community facility space. The third through sixth floors would have 19,370 sq.ft. of commercial office space. The gross built area of this alternative would be 26,158 sq. ft. not including the cellar. The zoning floor area for this development would be 24,369 sq. ft.

This development program is referred to as the "As of Right Development".

1.42 Typical As of Right Development

The Typical As of Right Development alternative would consist of new construction of a regularly shaped eight story mixed-use development that would not be adjacent to the Ed Koch Bridge. The Typical As of Right Development would have the following program:

The ground floor would have parking for nine vehicles and a building lobby. The second floor would have 3,607 sq.ft. of community facility space and a portion of the third floor would have 2,272 sq.ft. of community facility space. The third through sixth floors would have 19,370 sq.ft. of commercial office space. The gross built area of this alternative would be 26,158 sq. ft. not including the cellar. The zoning floor area for this development would be 24,369 sq. ft.

This development program is referred to as the "Typical As of Right Development".

1.42 Proposed Development

The Proposed Development alternative would consist of new construction of an eight story residential building with the following program:

The ground floor would have parking for nine vehicles and the residential lobby. The second through seventh floors would contain 28 residential units with an average unit size of 698 sq. ft.

The total gross built area would be 26,158 sq. ft. The total zoning floor area for this development would be 24,369 sq. ft.

This development program would require a variance from the Board of Standards and Appeals and is referred to as the "Proposed Development".

2.00 Methodology

2.10 Value of the Property As Is

The value of the property was estimated based on comparison with recent sales of similar properties.

The subject property contains approximately 3,749 sq. ft. of land area.

In order to estimate the value of the land under consideration, recent sales prices for comparable properties in similar manufacturing and commercial zones and in geographic proximity within Manhattan were reviewed. Four appropriate sales were identified. A site visit to each property was made and location, condition and sales price data were compared. A schedule of the comparable sales is attached as Schedule C.

When adjusted for comparability, existing building sales ranged from \$157/sq. ft. of development area to \$228/sq. ft. with an average of \$199/sq.ft. For purposes of this analysis, a value of \$195/sq. ft. or slightly below average was used. The site area is approximately 3,749 sq. ft. with a potential zoning floor area of 24,369 sq. ft. Therefore, the value of the site is estimated at \$4,751,858.

3.00 Economic Assumptions

An economic analysis of the three development alternatives was undertaken. As part of this analysis, a review of comparable recent retail and apartment rentals was performed. Schedule A of this Report identifies and compares the ability of each alternative to provide acceptable income to justify the capital investments required.

3.10 Development Cost Assumptions

Development Costs consist of Acquisition Costs, as described in Section 2.00, above; Hard Construction Costs for specific improvements; and Soft Costs including construction loan interest, professional and other fees, property and other taxes and miscellaneous development related expenses incurred during the construction period.

Development related soft costs for the alternatives were estimated based on typical expenses incurred for similar types of development.

The architectural firm, Gerald J. Caliendo, RA has provided plans for each development alternative and construction cost estimates have been provided by McQuilkin Associates, LLC. The construction cost estimates are attached as Exhibit "A" to this Report.

The estimated hard construction cost for the As of Right Development is \$6,252,112. The work includes commercial core and shell, electrical, mechanical and elevator systems. A tenant fit out allowance of \$35/sq.ft. of the commercial office space has been provided.

The estimated hard construction cost for the Typical As of Right Development is \$5,515,753. The work includes commercial core and shell, electrical, mechanical and elevator systems. A tenant fit out allowance of \$35/sq.ft. of the commercial office space has been provided.

The estimated hard construction cost for the Proposed Development is \$8,351,357. The work includes residential core and shell, electrical, mechanical and elevator systems as well as residential lobbies. Apartment interiors include kitchen appliances, bathrooms and basic finishes.

Based on our review, the cost estimates provided by McQuilkin Associates, LLC can be considered within the reasonable range for comparable construction and finishes for this type of project, taking into account the cost premiums resulting from the property's unique physical conditions.

3.20 Financing Assumptions

Typically, construction loan interest rates are indexed to the Prime Rate, at a variable index related to the type of project and its inherent risks. As of the Report's date, the Prime Rate was an unusually low 3.25%, which cannot be reasonably assumed to remain in effect during the development's projected timeframe. Therefore, 5.00% was used as the construction loan rate for the analysis.

Long-term mortgage financing rates are incorporated in the determination of the capitalization rate referenced in section 4.30 of this report. No further consideration of long-term mortgage financing rates is assumed.

3.30 Real Estate Tax Assumptions

Current taxes were assumed as a base for the construction periods for each alternative.

Current taxes, for the assumed construction period, are included as a development cost.

3.40 Expense Assumptions

Operating characteristics for similar projects were reviewed. Expenses for the residential units are consistent with expenses for similar properties.

3.50 Community Facility Rents

Community Facility Rents in the Upper East Side and surrounding neighborhood of Manhattan were reviewed.

As identified in Schedule D, adjusted rents are in the \$57/sq. ft. to \$59/sq. ft. range for comparable community facility space, with an average of \$58/sq. ft. For purposes of the As of Right Development analysis, \$55/sq. ft., or slightly below average, has been used for community facility space. For purposes of the Typical As of Right Development \$60/sq.ft., or slightly above average has been used.

3.60 Commercial Rents

Commercial rents in the Upper East Side and surrounding neighborhood of Manhattan were reviewed.

As identified in Schedule E, adjusted rents are in the \$34/sq. ft. to \$62/sq. ft. range for comparable community facility space, with an average of \$46/sq. ft. For purposes of the As of Right Development analysis, \$40/sq. ft., or slightly below average, has been used for commercial space. For purposes of the Typical As of Right Development \$45/sq.ft., or slightly above average has been used.

3.70 Rental Apartments

A review of apartments in the Upper East Side and surrounding neighborhood of Manhattan were reviewed. Comparable apartments have been used, and appropriate adjustments made to account for their location and other pertinent factors. In estimating the potential rental prices for the development alternatives, adjustments to rental rates were made for time, building location and location of unit within the building, size and level of finish.

Attached as Schedule F, are comparable recent apartment rents within the Upper East Side market. Appropriate adjustments were made to the comparable apartment rents to account for their location and other pertinent factors. The comparables for one bedroom apartments range in the \$3,610/month to \$3,795/month with an average of \$3,645; the comparables for two bedroom apartments range in the \$4,716/month to \$5,325/month with an average of \$5,061.

Pricing for each unit in the development alternatives was estimated based on the adjusted comparable rentals contained in Schedule F. The attached Schedules F1 identify these estimated rental prices.

3.80 Monthly Parking

A review of parking space fees in the vicinity of the subject was also conducted. Based on direct observation, discussions with knowledgeable brokers, and available rental data, rents for parking spaces, adjusted for location, size, and amenities, range from \$625 to \$710 per space per month with an average of \$647. Schedule G provides this analysis.

Based on this analysis \$650/month, or slightly above average, was used for the monthly parking space rentals in this analysis.

4.00 Consideration

4.10 Property Acquisition

Based on our market review, the estimated price is within the observed market range, taking into account the special features and conditions regarding the subject property as noted in Section 2.10. Economic feasibility issues regarding the project are not, therefore, a result of the estimated value of the property.

4.20 Unique Site Conditions

The unique physical site conditions of the site have a significant impact on the economic feasibility of conforming use for several reasons.

Construction Cost Premiums

The As of Right Development is on an irregularly shaped lot located immediately adjacent to the approach to the Ed Koch Bridge.

As documented in the Comparative Evaluation of a regularly configured typical development set forth herein, and the As of Right Commercial Development Comparison prepared by McQuilkin Associates and included in Exhibit A of this Report, approximately \$736,659 in premium construction costs result from the site's unique physical conditions.

Soft Costs

Soft costs related to the unique physical conditions set forth above are estimated to be approximately \$164,000 more than those that would be incurred for a development of a property unencumbered by these conditions.

As shown on Schedule A, this amount is the difference in soft costs between the Soft Costs estimated for the Typical Development and the As of Right Development.

Total Cost Premium

The total cost premiums resulting from the unique site conditions set forth above are estimated at \$900,659.

Site Conditions Affecting Value

The unique shape of the lot with its varying width and adjacency to the Ed Koch Bridge does not provide for an efficient floor plate for conforming commercial uses. This results in a floor plate of less than 3,607 sq.ft. and a useable square footage of 3,351 sq.ft. per floor. The small and odd shape of the floorplate generates an economically inefficient relationship between the size of the core (elevator and stairs) and rentable area. In addition, the small floor plate also limits the potential variety of tenants that could occupy the building. A building having a floorplate of twice the size could be served by a core of almost the same size.

The cost of construction of the core relative to the floorplate, therefore, would be significantly less on a larger site.

4.30 Feasibility Analysis

We have used the capitalization of income method to determine the development alternatives value and feasibility. This method capitalizes the net operating income, which is the sum of all rents less commission and expenses. For purposes of the development alternatives contained in this Report, a capitalization rate of 7.00% has been utilized for the As of Right Development and 6.00% has been utilized for the Proposed Development alternative. These capitalization rates are based on a survey of lenders and investors taken by RealtyRates.com in the 2nd quarter of 2013, and includes both lender and investor expectations, attached as Exhibit B.

The feasibility of the development is determined by comparing the value created by capitalizing the net operating income with the cost of development, including land acquisition, holding and preparation costs, hard construction cost and development related

soft costs. When the capitalized value is approximately equal to the total development cost then the project is feasible. When the capitalized value is significantly less than the total development cost, it is not a feasible project.

A project value which is equal to or not significantly more or less than the total development cost would meet the minimum acceptable return on investment generally acceptable as the minimum variance standard of the Board of Standards and Appeals.

4.32 As of Right Development

Using the capitalization of income method, as shown in the attached Schedule A, the capitalized value determined by the analysis for the As of Right Development is \$11,257,000.

As shown in the attached Schedule A, the total development cost, including estimated property value, hard construction costs and soft costs, for the As of Right Development is estimated to be \$13,641,000.

As shown in the attached Schedule A, the difference between the value of the capitalized net operating income of \$11,257,000 and the development cost of \$13,641,000 is (\$2,384,000). The As of Right Development contains significantly less value than the total development cost and, therefore, would not be considered feasible.

4.40 Typical As of Right Development

Using the capitalization of income method, as shown in the attached Schedule A, the capitalized value determined by the analysis for the Typical As of Right Development is \$12,829,000.

As shown in the attached Schedule A, the total development cost, including estimated property value, hard construction costs and soft costs, for the Typical As of Right Development is estimated to be \$12,741,000.

As shown in the attached Schedule A, the difference between the value of the capitalized net operating income of \$12,829,000 and the development cost of \$12,741,000 is \$88,000. The Typical As of Right Development contains slightly more value than the total development cost and, therefore, would be considered feasible.

4.50 Proposed Development

Using the capitalization of income method, as shown in the attached Schedule A, the capitalized value of the Net Operating Income determined by the analysis for the Proposed Development is \$15,183,000.

As shown in the attached Schedule A, the total development cost, including estimated property value, hard construction costs and soft costs, for the Proposed Development is estimated to be \$15,164,000.

As shown in the attached Schedule A, the difference between the value of the capitalized net operating income of \$15,183,000 and the development cost of \$15,164,000 is \$19,000. The Proposed Development contains slightly more value than the total development cost and is a significant improvement over the As of Right Development alternative.

5.00 Conclusion

Using the capitalization of income, the Proposed Development contains slightly more value than the total development cost. Although this slightly positive value is at the threshold of economic feasibility, taking into account the current investment in the property and the lack of alternative development opportunities, the Proposed Development would meet the minimum return on investment criteria of the Board of Standards and Appeals.

6.00 Professional Qualifications

A statement of my professional qualifications is attached. Please note that I am independent of the subject property's owner and have no legal or financial interest in the subject property.

NO 7/11/2013
 60TH STREET
 RK, NY
 3ER 10, 2013

LE A: DEVELOPMENT ANALYSIS

	AS OF RIGHT DEVELOPMENT	TYPICAL AS OF RIGHT DEVELOPMENT	PROPOS RESIDEN DEVELO
3 AREA (SQ.FT.)			
ITY FACILITY BUILT AREA	5,879	5,879	
ICIAL BUILT AREA	19,370	19,370	
LE RESIDENTIAL AREA	NA	NA	
REA	26,158	26,158	
INVESTMENT SUMMARY			
TION COST	\$4,752,000	\$4,752,000	\$4
3 & PREP. COSTS	\$0	\$0	
INSTRUCTION COSTS	\$6,252,000	\$5,516,000	\$8
INSTRUCTION COSTS	\$1,959,000	\$1,795,000	\$2
	\$13,641,000	\$12,741,000	\$15
IF VALUE			
ITY FACILITY	\$323,000	\$353,000	
ICIAL INCOME	\$775,000	\$872,000	
ITIAL INCOME	NA	NA	\$1
3 INCOME	\$70,000	\$70,000	
NCOME	\$1,168,000	\$1,295,000	\$1
ANCY (@ 10%)	(\$117,000)	(\$130,000)	
VE INCOME	\$1,051,000	\$1,165,000	\$1
EXPENSES	(\$161,000)	(\$165,000)	(\$
TER & SEWER	(\$7,000)	(\$7,000)	
TAXES	(\$95,000)	(\$95,000)	(\$
IRATING INCOME	\$788,000	\$898,000	\$
IZED VALUE OF NOI @ 7.00% & 6.00%	\$10,507,000	\$12,829,000	\$15
ITY ANALYSIS			
IF VALUE @ CAP RATE = 7.00% & 6.00%	\$11,257,000	\$12,829,000	\$15
IF DEVELOPMENT COST	\$13,641,000	\$12,741,000	\$15
T VALUE (less) PROJECT DEVELOPMENT COST	(\$2,384,000)	\$88,000	

LL \$ FIGURES ROUNDED TO NEAREST THOUSAND

SCHEDULE B : DEVELOPMENT COSTS

		AS OF RIGHT DEVELOPMENT	TYPICAL AS OF RIGHT DEVELOPMENT	PROPOSED DEVELOPMENT
DEVELOPMENT COST SUMMARY				
ACQUISITION COSTS		\$4,752,000	\$4,752,000	\$4,752,000
HOLDING & PREP. COSTS:		\$0	\$0	\$0
BASE CONSTRUCTION COSTS		\$6,252,000	\$5,516,000	\$8,351,000
TENANT FIT OUT		\$678,000	\$678,000	NA
EST.SOFT COSTS		\$1,959,000	\$1,795,000	\$2,061,000
EST. TOTAL DEV.COSTS		\$13,641,000	\$12,741,000	\$15,164,000
ACQUISITION COSTS :				
Land Purchase Price		\$4,752,000	\$4,752,000	\$4,752,000
TOTAL LAND VALUE		\$4,752,000	\$4,752,000	\$4,752,000
HOLDING & PREP. COSTS:		\$0	\$0	\$0
BASE CONSTRUCTION COSTS :		\$6,252,000	\$5,516,000	\$8,351,000
EST.CONST.LOAN AMOUNT :		\$8,211,000	\$7,311,000	\$7,809,000
EST.CONST.PERIOD(MOS) :		16	12	18
EST. SOFT COSTS :				
Builder's Fee/Developer's Profit	1.50%	\$205,000	\$191,000	\$227,000
Archit. & Engin. Fees	3%/6%	\$188,000	\$165,000	\$418,000
Bank Inspect.Engin.		\$7,000	\$6,000	\$7,000
Construction Management	0.00%	\$0	\$0	\$0
Laboratory Fees	LS	\$5,000	\$5,000	\$5,000
Soil Investigation	LS	\$10,000	\$10,000	\$10,000
Preliminary Surveys	LS	\$5,000	\$5,000	\$5,000
Ongoing Surveys	LS	\$10,000	\$10,000	\$10,000
Environmental Surveys/Reports	LS	\$2,000	\$2,000	\$2,000
Controlled Inspection Fees	LS	\$25,000	\$25,000	\$45,000
Legal Fees				
Dev.Legal Fees		\$15,000	\$15,000	\$40,000
Con.Lender Legal		\$33,000	\$29,000	\$23,000
End Loan Legal		\$5,000	\$5,000	\$7,000
Permits & Approvals				
D.O.B. Fees	25.53%	\$56,000	\$51,000	\$7,000
Other		\$0	\$0	\$10,000
Accounting Fees		\$5,000	\$5,000	\$5,000
Appraisal Fees		\$5,000	\$5,000	\$8,000
Marketing/Pre-Opening Expenses				
Rental Commissions	25.00%	\$275,000	\$324,000	\$0
Financing and Other Charges				
Con.Loan Int. @ Loan Rate =	5.00%	\$274,000	\$183,000	\$293,000
Rent-up Loan Int. @ Loan Rate =	5.00%	\$225,000	\$256,000	\$219,000
Con.Lender Fees	1.00%	\$82,000	\$73,000	\$78,000
End Loan Fee	1.00%	\$90,000	\$102,000	\$146,000
Construction Real Estate Tax		\$50,000	\$25,000	\$76,000
Title Insurance	0.33%	\$45,000	\$42,000	\$50,000
Mtge.Rec.Tax	2.75%	\$226,000	\$201,000	\$215,000
Construction Insurance	1.00%	\$63,000	\$55,000	\$125,000
Water and Sewer		\$5,000	\$5,000	\$5,000
Other		\$0	\$0	\$0
TOTAL EST.SOFT COSTS		\$1,959,000	\$1,795,000	\$2,061,000

NOTE : ALL \$ FIGURES ROUNDED TO NEAREST THOUSAND

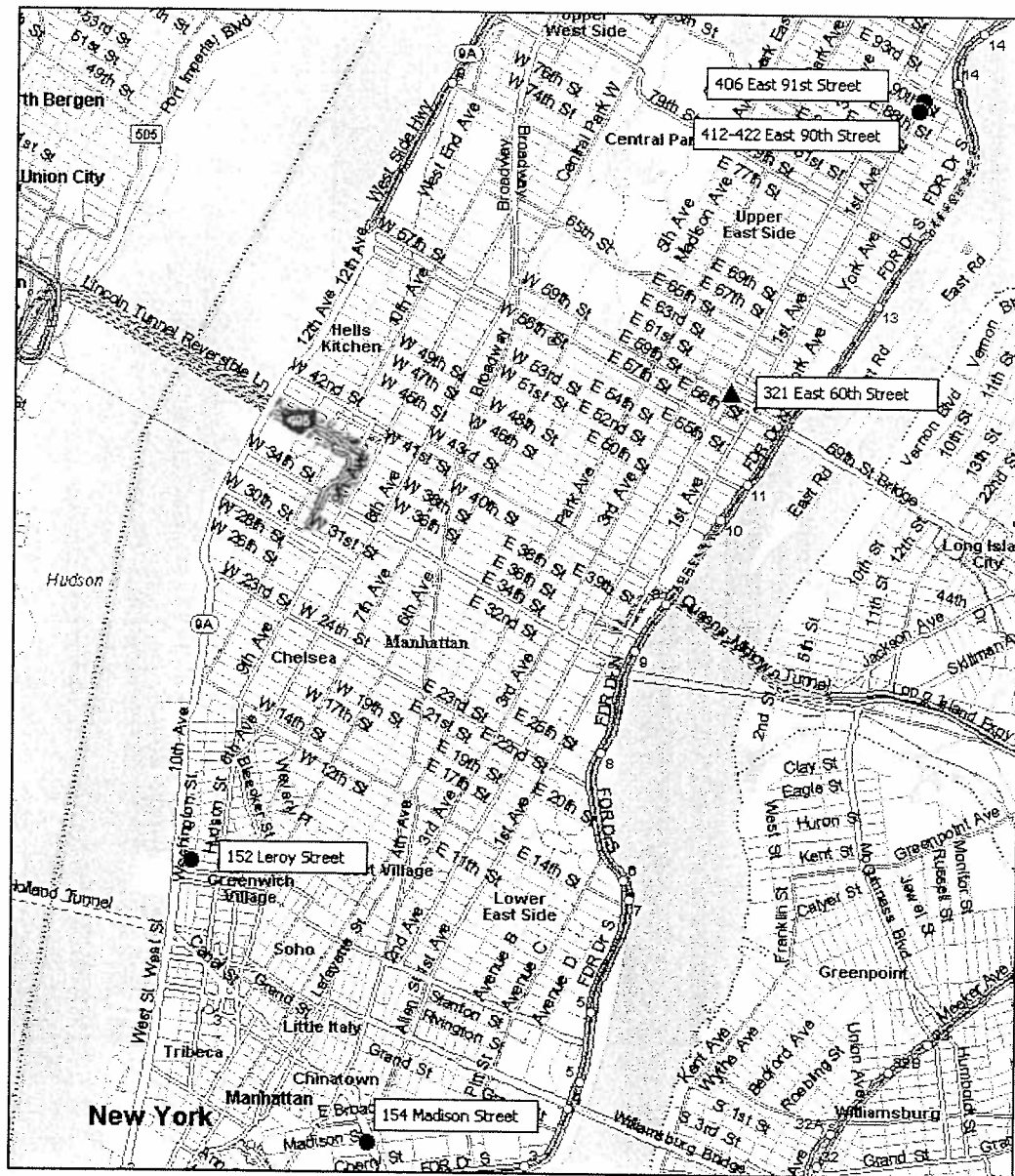
: September 10, 2013
 : 321 East 60th Street
 : 1435 Lot 15
 : 3,749
 : C8-4

Comparable Vacant Land Sales

	<u>ZONE</u>	<u>DATE</u>	<u>PRICE</u>	<u>LOT AREA</u>	<u>FAR SQ.FT.</u>	<u>PRICE/ FAR SF</u>	<u>TIME</u>	<u>LOCATION</u>	<u>SIZE</u>	<u>ZONING</u>	<u>OTHER</u>	<u>COM FAC</u>
90th Street	C8-4	9/16/2011	\$26,104,000	15,005	97,533	\$268	1.00	0.90	0.90	1.00	1.00	0
35												
Met	M1-5	12/17/2012	\$10,250,000	5,596	36,374	\$282	1.00	0.85	0.90	0.90	1.00	0
2												
Street	C8-4	9/26/2008	\$23,000,000	12,589	81,829	\$281	1.00	0.90	0.90	1.00	1.00	0
11												
Street	C8-4	10/20/2011	\$2,300,000	2,600	16,900	\$136	1.00	1.05	1.10	1.00	1.00	1
1												
	C8-4		\$4,751,858	3,749	24,369	\$195	1.00	1.00	1.00	1.00	1.00	1
Street												

Ave

Schedule C: Comparable Vacant Land Sales



Schedule C: Comparable Vacant Land Sales

1. 412-422 East 90th Street

This is a 15,005 sq.ft. 2 story garage which will be demolished and a new school built on the site. Located in a C8-4 zoning lot it is between First Avenue and York Street and is approximately 1.7 miles away from the subject property. A -10% adjustment was made for the superior location and a -10% adjustment was made for the large size. No adjustments were made for time, zoning or other factors.

2. 152 Leroy Street

This is a 5,596 sq.ft. unlicensed parking lot. Located in a M1-5 zoning district it is between West and Washington Streets and is approximately 4.2 miles away from the subject property. A -15% adjustment was made for the superior location and a -10% adjustment was made for the large size. An additional -10% adjustment was made for the zoning. No adjustment was made for time or other factors.

3. 406 East 91st Street

This is a 12,589 sq.ft. 3 story garage which will be demolished and a new school built on the site. Located in a C8-4 zoning lot it is between First Avenue and York Street and is approximately 1.9 miles away from the subject property. A -10% adjustment was made for the superior location and a -10% adjustment was made for the large size. No adjustments were made for zoning or other factors.

4. 154 Madison Street

This is a 2,600 sq.ft. 3 story building which will be demolished. Located in a C8-4 zoning lot it is between Pike and Market Streets and is approximately 5.1 miles away from the subject property. A +5% adjustment was made for the inferior location and a +10% adjustment was made for the small size. No adjustments were made for time, zoning or other factors.

Schedule C: Comparable Vacant Land Sales

1. 412-422 East 90th Street



2. 152 Leroy Street



Schedule C: Comparable Vacant Land Sales

3. 406 East 91st Street



4. 154 Madison Street

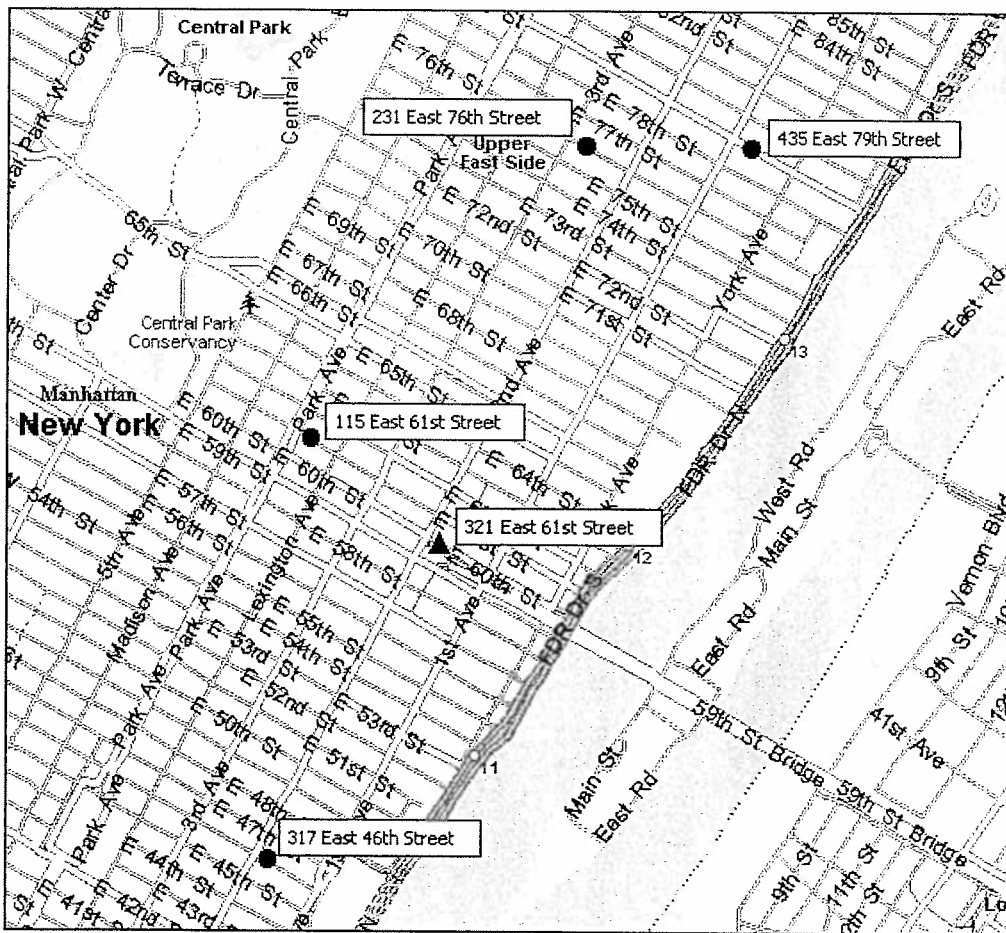


Date : September 10, 2013
Property : 321 East 60th Street
Block : 1435 Lot 15
Total Land Area : 3,749
Zone : C8-4
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<u>LOCATION</u>	<u>DATE</u>	<u>RENT/YR</u>	<u>AREA</u>	<u>RENT</u> <u>SQ.FT.</u>	<u>TIME</u>	<u>LOCATION</u>	<u>SIZE</u>	<u>ZONING</u>	<u>OTHER</u>	<u>COMPOS</u> <u>FACTOR</u>	<u>ADJUSTED</u> <u>PRICE/S.F.</u>
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Schedule D: Comparable Community Facility Rents



Schedule D: Comparable Community Facility Rents

1. 115 East 61st Street

This is a 2,000 sq.ft. community facility space available for rent. Located between Park and Lexington Avenues, it is approximately four blocks away from the subject property. A -5% adjustment was made for the superior location and a -5% adjustment was made for the current "asking" status of the space. No adjustments were made for time, size or zoning.

2. 231 East 76th Street

This is a 3,952 sq.ft. community facility space available for rent. Located between Second and Third Avenues, it is approximately 1.1 miles away from the subject property. A -5% adjustment was made for the superior location and a -5% adjustment was made for the current "asking" status of the space. No adjustments were made for time, size or zoning.

3. 317 East 46th Street

This is a 2,400 sq.ft. community facility space available for rent. Located between First and Second Avenues, it is approximately one miles away from the subject property. A -5% adjustment was made for the superior location and a -5% adjustment was made for the current "asking" status of the space. No adjustments were made for time, size or zoning.

4. 435 East 79th Street

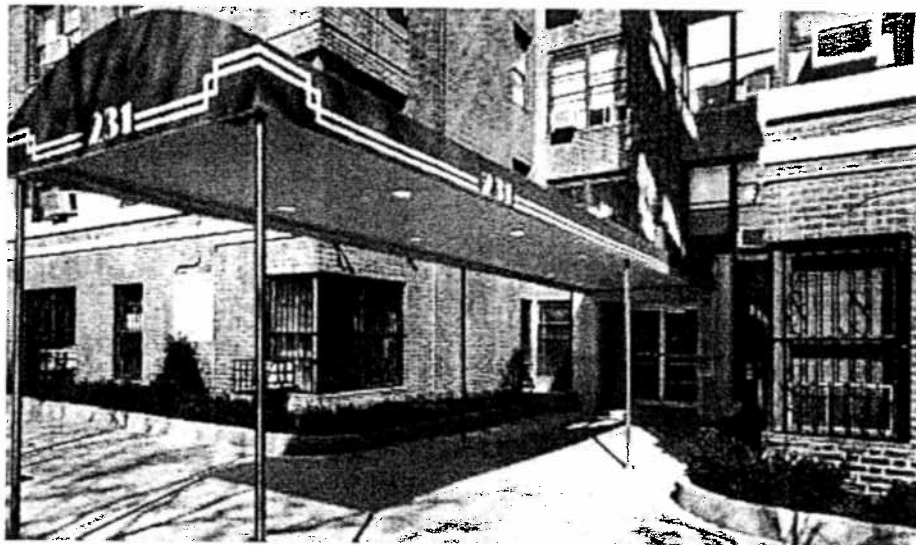
This is a 4,000 sq.ft. community facility space available for rent. Located between First and York Avenues, it is approximately one mile away from the subject property. A -5% adjustment was made for the current "asking" status of the space. No adjustments were made for time, location, size or zoning.

Schedule D: Comparable Community Facility Rents

1. 115 East 61st Street



2. 231 East 76th Street



Schedule D: Comparable Community Facility Rents

3. 317 East 46th Street



4. 435 East 79th Street



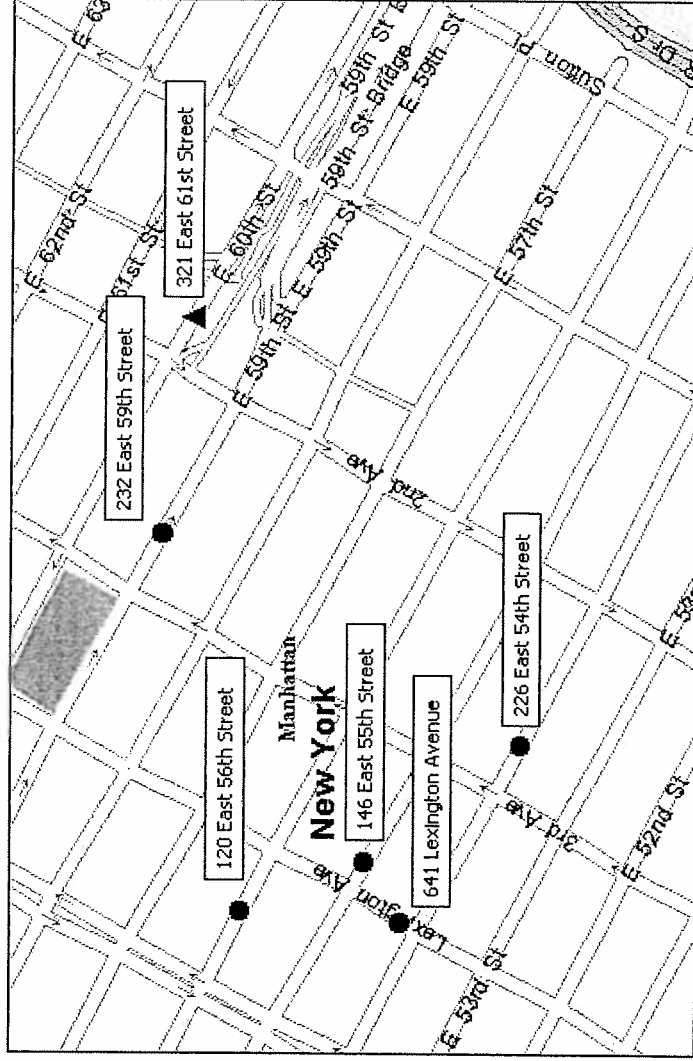
Date : September 10, 2013
Property : 321 East 60th Street
Block : 1435 Lot 15
Total Land Area : 3,749
Zone : C8-4
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<u>LOCATION</u>	<u>DATE</u>	<u>RENT/YR</u>	<u>AREA</u>	<u>RENT</u> <u>SQ.FT.</u>	<u>TIME</u>	<u>LOCATION</u>	<u>SIZE</u>	<u>ZONING</u>	<u>OTHER</u>	<u>COMPOSADJUSTED</u> <u>FACTOR PRICE/S.F.</u>
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<u>LOCATION</u>	<u>DATE</u>	<u>RENT/YR</u>	<u>AREA</u>	<u>RENT</u> <u>SQ.FT.</u>	<u>TIME</u>	<u>LOCATION</u>	<u>SIZE</u>	<u>ZONING</u>	<u>OTHER</u>	<u>COMPOSADJUSTED</u> <u>FACTOR PRICE/S.F.</u>
1. 146 East 55th Street, 2nd Fl New York, NY	Asking	\$39,603	790	\$50	1.00	1.00	1.00	1.00	0.95	\$48
2. 232 East 59th Street, 6th Fl New York, NY	Asking	\$205,400	3,160	\$65	1.00	1.00	1.00	1.00	0.95	\$62
3. 226 East 54th Street New York, NY	Asking	\$100,800	2,800	\$36	1.00	1.00	1.00	1.00	0.95	\$34
4. 120 East 56th Street New York, NY	Asking	\$104,814	1,941	\$54	1.00	1.00	1.00	1.00	0.95	\$51
5. 641 Lexington Avenue New York, NY	Asking	\$180,000	5,000	\$36	1.00	1.00	1.00	1.00	0.95	\$34

Subject	\$45	1.00	1.00	1.00	1.00	Average	\$46
321 East 60th Street New York, NY						1.00	\$45

Schedule E: Comparable Office Rents



Schedule E: Comparable Office Rents

1. 146 East 55th Street

This is a 790 sq.ft. commercial office space available for rent. Located between Lexington and Third Avenues, it is approximately seven blocks away from the subject property. A -5% adjustment was made for the current “asking” status of the space. No adjustments were made for time, location, size or zoning.

2. 232 East 59th Street

This is a 3,160 sq.ft. commercial office space available for rent. Located between Second and Third Avenues, it is approximately two blocks away from the subject property. A -5% adjustment was made for the current “asking” status of the space. No adjustments were made for time, location, size or zoning.

3. 226 East 54th Street

This is a 2,800 sq.ft. commercial office space available for rent. Located between Second and Third Avenues, it is approximately six blocks away from the subject property. A -5% adjustment was made for the current “asking” status of the space. No adjustments were made for time, location, size or zoning.

4. 120 East 56th Street

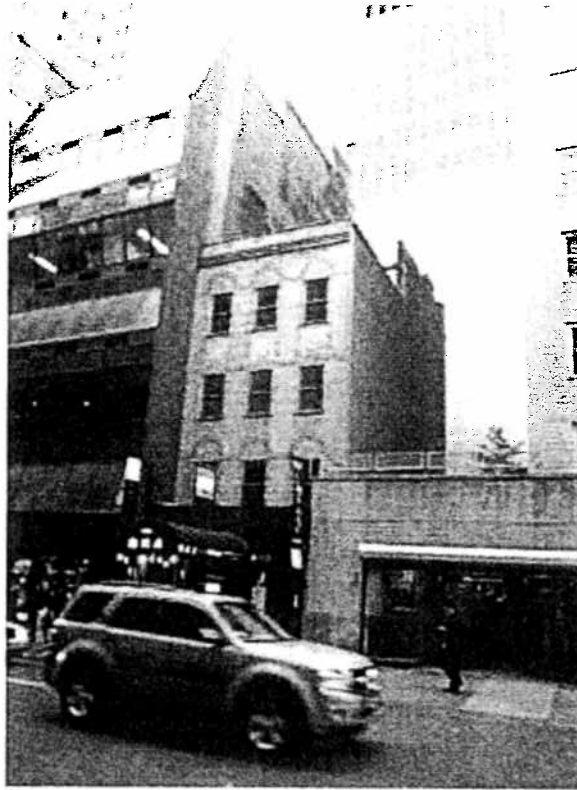
This is a 1,941 sq.ft. commercial office space available for rent. Located between Park and Lexington Avenues, it is approximately seven blocks away from the subject property. A -5% adjustment was made for the current “asking” status of the space. No adjustments were made for time, location, size or zoning.

5. 641 Lexington Avenue

This is a 5,000 sq.ft. commercial office space available for rent. Located between East 54th and East 55th Streets, it is approximately eight blocks away from the subject property. A -5% adjustment was made for the current “asking” status of the space. No adjustments were made for time, location, size or zoning.

Schedule E: Comparable Office Rents

1. 146 East 55th Street



2. 232 East 59th Street



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New York, New York
September 10, 2013
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Schedule E: Comparable Office Rents

3. 226 East 54th Street



4. 120 East 56th Street



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321 East 60th Street
New York, New York
September 10, 2013
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Schedule E: Comparable Office Rents

5. 641 Lexington Avenue



CE

CE

J.S.Freeman Associates

Date : September 10, 2013

Property : 321 East 60th Street

Block : 1435 Lot 15

Total Land Area : 3,749

Zone : C8-4

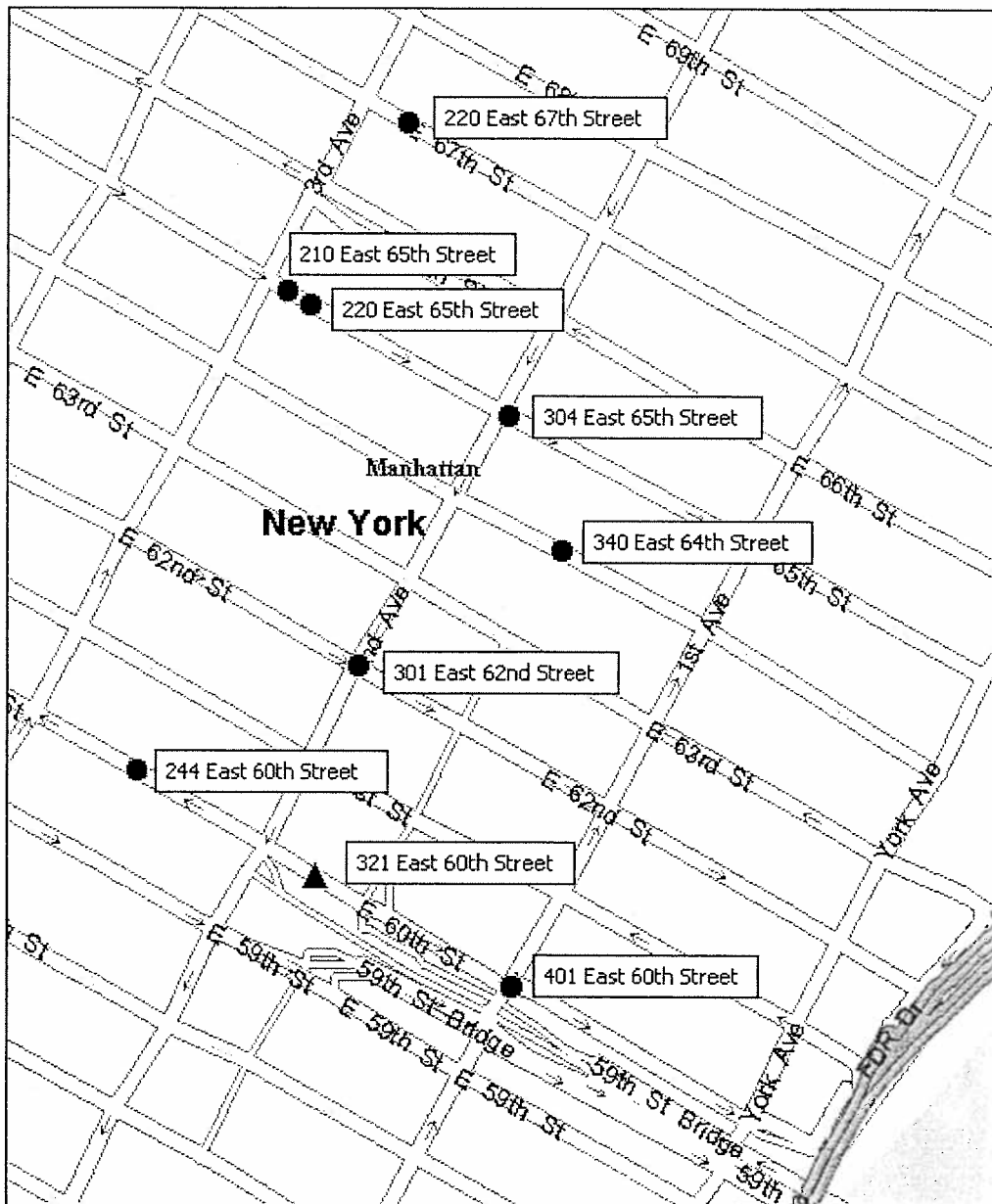
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Schedule F1 : Proposed Development Apartment Pricing

Floor	SF	Monthly Rent	Annual Rent
2	764	\$3,595	\$43,140
	688	\$3,570	\$42,840
	600	\$3,545	\$42,540
	739	\$4,995	\$59,940
3	764	\$3,620	\$43,440
	688	\$3,595	\$43,140
	600	\$3,570	\$42,840
	739	\$5,020	\$60,240
4	764	\$3,645	\$43,740
	688	\$3,620	\$43,440
	600	\$3,595	\$43,140
	739	\$5,045	\$60,540
5	764	\$3,670	\$44,040
	688	\$3,645	\$43,740
	600	\$3,620	\$43,440
	739	\$5,070	\$60,840
6	764	\$3,695	\$44,340
	688	\$3,670	\$44,040
	600	\$3,645	\$43,740
	739	\$5,095	\$61,140
7	764	\$3,720	\$44,640
	688	\$3,695	\$44,340
	600	\$3,670	\$44,040
	739	\$5,120	\$61,440
8	764	\$3,745	\$44,940
	688	\$3,720	\$44,640
	600	\$3,695	\$44,340
	739	\$5,145	\$61,740
Totals	19,532	\$69	\$1,344,420

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Schedule F: Comparable Residential Rents



Schedule F: Comparable Residential Rents

1. 210 East 65th Street

This is a one bedroom apartment for rent located between Second and Third Avenues and is approximately six blocks away from the subject property. A -5% adjustment was made for the superior location and a -5% other adjustment was made because the unit is in a luxury tower with amenities. No adjustments were made for time, size or zoning.

2. 304 East 65th Street

This is a one bedroom apartment for rent located between First and Second Avenues and is approximately six blocks away from the subject property. A -5% adjustment was made for the superior location and a -5% other adjustment was made because the unit is in a luxury tower with amenities. No adjustments were made for time, size or zoning.

3. 301 East 62nd Street

This is a one bedroom apartment for rent located between First and Second Avenues and is approximately three blocks away from the subject property. A -5% adjustment was made for the superior location. No adjustments were made for time, size, zoning or other factors.

4. 244 East 60th Street

This is a one bedroom apartment for rent located between Second and Third Avenues and is approximately one blocks away from the subject property. A -5% adjustment was made for the superior location and a -5% adjustment was made for the large size of the unit. No adjustments were made for time, size, zoning or other factors.

5. 340 East 64th Street

This is a two bedroom two bathroom apartment for rent located between First and Second Avenues and is approximately five blocks away from the subject property. A -5% adjustment was made for the superior location, a -5% adjustment was made for the large size, and a -5% other adjustment was made because the unit is in a luxury tower with amenities. No adjustments were made for time or zoning.

Schedule F: Comparable Residential Rents

6. 220 East 65th Street

This is a two bedroom two bathroom apartment for rent located between Second and Third Avenues and is approximately six blocks away from the subject property. A -5% adjustment was made for the superior location, a -5% adjustment was made for the large size, and a -5% other adjustment was made because the unit is in a luxury tower with amenities. No adjustments were made for time or zoning.

7. 220 East 67th Street

This is a two bedroom two bathroom apartment for rent located between Second and Third Avenues and is approximately eight blocks away from the subject property. A -5% adjustment was made for the superior location, a -5% adjustment was made for the large size. No adjustments were made for time zoning or other factors.

8. 401 East 60th Street

This is a two bedroom two bathroom apartment for rent located between First and York Avenues and is approximately one blocks away from the subject property. A -5% adjustment was made for the superior location, a -5% adjustment was made for the large size, and a -5% other adjustment was made because the unit is in a luxury tower with amenities. No adjustments were made for time or zoning.

Schedule F: Comparable Residential Rents

1. 210 East 65th Street



2. 304 East 65th Street



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New York, New York
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Schedule F: Comparable Residential Rents

3. 301 East 62nd Street



4. 244 East 60th Street



Schedule F: Comparable Residential Rents

5. 340 East 64th Street



6. 220 East 65th Street



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Schedule F: Comparable Residential Rents

7. 220 East 67th Street

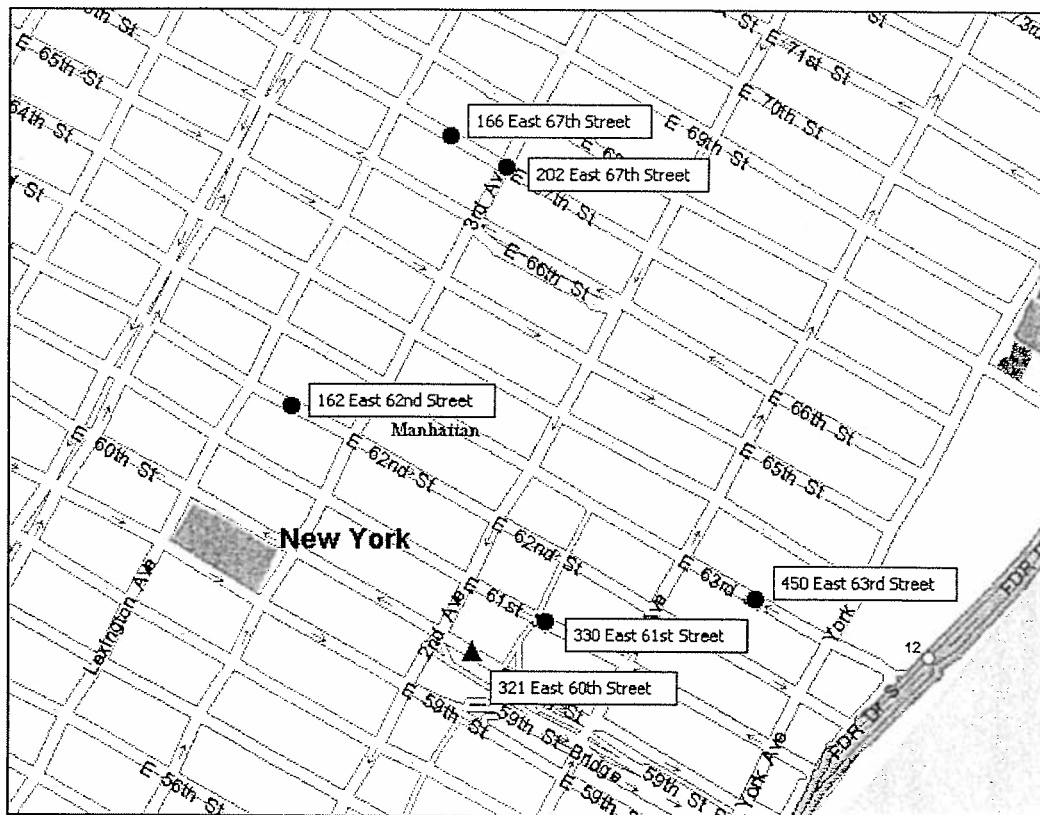


8. 401 East 60th Street



Economic Analysis Report
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Schedule G: Comparable Monthly Parking Rents



Schedule G: Comparable Monthly Parking Rents

1. 330 East 61st Street

This is a 75 space parking garage located between First and Second Avenues and is approximately one block away from the subject property. No adjustments have been made for time, location, size, zoning or other factors.

2. 166 East 67th Street

This is a 122 space parking garage located between Lexington and Third Avenues and is approximately nine blocks away from the subject property. No adjustments have been made for time, location, size, zoning or other factors.

3. 202 East 67th Street

This is a 106 space parking garage located between Second and Third Avenues and is approximately nine blocks away from the subject property. No adjustments have been made for time, location, size, zoning or other factors.

4. 162 East 62nd Street

This is a 128 space parking garage located between Lexington and Third Avenues and is approximately four blocks away from the subject property. No adjustments have been made for time, location, size, zoning or other factors.

5. 450 East 63rd Street

This is a 433 space parking garage located between First and Second Avenues and is approximately five blocks away from the subject property. No adjustments have been made for time, location, size, zoning or other factors.

Schedule G: Comparable Monthly Parking Rents

1. 330 East 61st Street



2. 166 East 67th Street

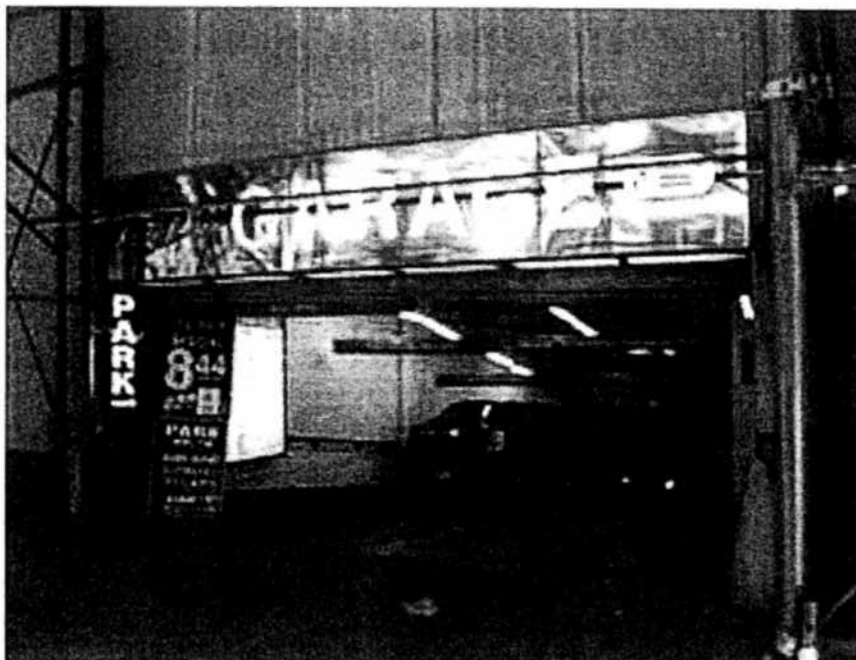


Schedule G: Comparable Monthly Parking Rents

3. 202 East 67th Street



4. 162 East 62nd Street



Economic Analysis Report
321 East 60th Street
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Schedule G: Comparable Monthly Parking Rents

5. 450 East 63rd Street

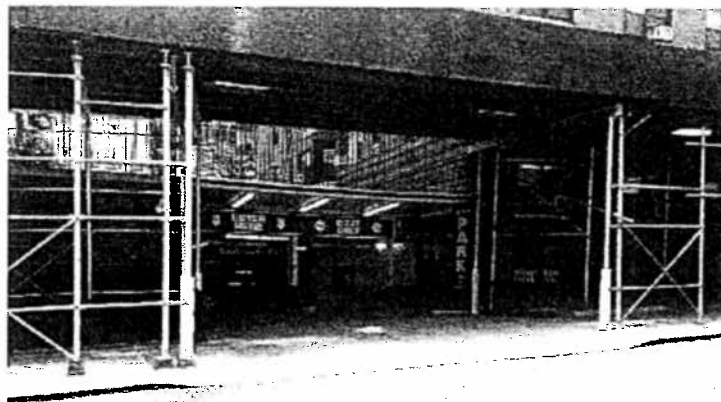


EXHIBIT A: CONSTRUCTION COST ESTIMATES

321 EAST60TH STREET

NEW YORK, NY

As of Right Commercial Building

Preliminary Construction Cost Estimate

June 10, 2013

McQUILKIN ASSOCIATES, LLC

Construction Consultants

500 Morris Avenue
Springfield, NJ 07081

Tel: 973-218-1600

Fax: 973-218-1700

QUALIFICATIONS

- 1 Estimate is based on drawings CC-000 through CC-008 dated 12/15/11 as prepared by Gerald J. Caliendo, R.A., A.I.A.
- 2 Escalation - Estimate Based on Construction Start 3rd Qtr 2013

EXCLUSIONS

- 1 Overtime
- 2 Owner's allowances.
- 3 Design/Professional fees.
- 4 Building permit/filing fees.
- 5 Builder's risk insurance.
- 6 Escalation - Costs based on Construction Start 3rd Quarter 2012
- 7 Utility Company Charges (other than Temporary for Contractor)
- 8 Controlled Testing and Inspection
- 9 Surveys & Reports
- 10 Public Agency Approvals/Inspection Fees
- 11 Hazardous Material Abatement
- 12 Parking Stacker Units
- 13 Mock-Ups
- 14 Contractors Profit or Construction Manager's Fee

MCQUILKIN ASSOCIATES, LLC

DATE: 6/10/13

PROJECT: 321 EAST 60TH STREET - AS OF RIGHT COMMERCIAL

REV:

LOCATION: NEW YORK, NY

CSI #	TRADE SUMMARY	AMOUNT
01500	TEMPORARY CONSTRUCTION	264,000
02050	DEMOLITION	NIC
02500	PAVING & SURFACING	99,960
02600	SITE UTILITIES	85,000
02900	EXAVATION/FOUNDATIONS	258,255
03300	SUPERSTRUCTURE CONCRETE	1,616,108
04200	MASONRY	205,964
05500	METAL FABRICATION	69,670
06100	ROUGH CARPENTRY	44,460
07100	WATERPROOFING	6,375
07500	ROOFING & SHEETMETAL	64,926
07920	CAULKING	13,740
08100	HOLLOW METAL	12,600
08400	ENTRANCES & STOREFRONTS	21,680
08700	HARDWARE	14,400
08950	EXTERIOR FACADE	1,097,724
09000	INTERIOR FITOUT	98,400
09500	ACOUSTIC CEILING	26,960
09250	DRYWALL	136,652
09900	PAINTING	52,176
10400	IDENTIFYING DEVICES	5,000
14200	ELEVATOR	210,000
15300	SPRINKLER	131,130
15400	PLUMBING	218,500
15500	HEATING, VENTILATING AND AIR CONDITIONING	538,380
16050	ELECTRICAL WORK	391,594
	SUBTOTAL	5,419,653
	GENERAL CONDITIONS	12% 650,358
	SUBTOTAL	6,070,011
	CONTRACTORS INSURANCE	3% 182,100
	TOTAL	6,252,112

321 EAST60TH STREET

NEW YORK, NY

Typical As of Right Commercial Building

Preliminary Construction Cost Estimate

July 11, 2013

McQUILKIN ASSOCIATES, LLC

Construction Consultants

500 Morris Avenue

Springfield, NJ 07081

Tel: 973-218-1600

Fax: 973-218-1700

QUALIFICATIONS

- 1 Estimate is based on a corner lot 36' x 100' without the elevated exit ramp from the Ed Koch Bridge encumbrance.
- 2 Escalation - Estimate Based on Construction Start 3rd Qtr 2013

EXCLUSIONS

- 1 Overtime
- 2 Owner's allowances.
- 3 Design/Professional fees.
- 4 Building permit/filing fees.
- 5 Builder's risk insurance.
- 6 Escalation - Costs based on Construction Start 3rd Quarter 2012
- 7 Utility Company Charges (other than Temporary for Contractor)
- 8 Controlled Testing and Inspection
- 9 Surveys & Reports
- 10 Public Agency Approvals/Inspection Fees
- 11 Hazardous Material Abatement
- 12 Parking Stacker Units
- 13 Mock-Ups
- 14 Contractors Profit or Construction Manager's Fee

MCQUILKIN ASSOCIATES, LLC

DATE: 7/11/13

PROJECT: 321 EAST 60TH STREET - TYPICAL AOR COMMERCIAL

REV:

LOCATION: NEW YORK, NY

CSI #	TRADE SUMMARY	AMOUNT
01500	TEMPORARY CONSTRUCTION	253,980
02050	DEMOLITION	NIC
02500	PAVING & SURFACING	50,320
02600	SITE UTILITIES	85,000
02900	EXAVATION/FOUNDATIONS	248,300
03300	SUPERSTRUCTURE CONCRETE	259,558
04200	MASONRY	205,964
05100	STRUCTURAL STEEL	675,000
05300	METAL DECKING	94,523
05500	METAL FABRICATION	150,670
06100	ROUGH CARPENTRY	44,460
07100	WATERPROOFING	6,800
07250	FIREPROOFING	87,252
07500	ROOFING & SHEETMETAL	64,800
07920	CAULKING	14,531
08100	HOLLOW METAL	12,600
08400	ENTRANCES & STOREFRONTS	21,680
08700	HARDWARE	14,400
08950	EXTERIOR FACADE	956,857
09000	INTERIOR FITOUT	98,400
09500	ACOUSTIC CEILING	26,960
09250	DRYWALL	117,275
09900	PAINTING	52,176
10400	IDENTIFYING DEVICES	5,000
14200	ELEVATOR	210,000
15300	SPRINKLER	130,878
15400	PLUMBING	218,500
15500	HEATING, VENTILATING AND AIR CONDITIONING	538,380
16050	ELECTRICAL WORK	391,056
	SUBTOTAL	4,781,339
	GENERAL CONDITIONS	12% 573,761
	SUBTOTAL	5,355,100
	CONTRACTORS INSURANCE	3% 160,653
	TOTAL	5,515,753

MCQUILKIN ASSOCIATES, LLC					DATE:	7/11/13
PROJECT: 321 EAST 60TH STREET - AOR COMMERCIAL					REV:	
LOCATION: NEW YORK, NY						
CSI #	TRADE SUMMARY	ACTUAL AOR BUILDING	TYPICAL AOR BUILDING	DELTA	COMMENTS	
01500	TEMPORARY CONSTRUCTION	264,000	253,980	10,020	TYPICAL HAS LESS SIDEWALK BRIDGE AND CONSTRUCTION FENCING	
02050	DEMOLITION	NIC	NIC	-		
02500	PAVING & SURFACING	99,960	50,320	49,640	TYPICAL HAS LESS SIDEWALKS AND CURBS AND NO PLAZA PAVING	
02600	SITE UTILITIES	85,000	85,000	-		
02900	EXAVATION/FOUNDATIONS	258,255	248,300	9,955	TYPICAL HAS LESS SPREAD FOOTINGS DUE TO LIGHTER BUILDING	
03300	SUPERSTRUCTURE CONCRETE	1,616,108	259,558	1,356,550	ACTUAL USES A REINFORCED CONCRETE FRAME	
04200	MASONRY	205,964	205,964	-		
05100	STRUCTURAL STEEL	-	675,000	(675,000)	TYPICAL USES A STRUCTURAL STEEL FRAME	
05300	METAL DECKING	-	94,523	(94,523)	TYPICAL USES METAL FLOOR & ROOF DECKING	
05500	METAL FABRICATION	69,670	150,670	(81,000)	TYPICAL USES METAL PAN STAIRS IN LIEU OF PRECAST STAIRS	
06100	ROUGH CARPENTRY	44,460	44,460	-		
07100	WATERPROOFING	6,375	6,800	(425)	TYPICAL HAS A SLIGHTLY LARGER AREA OF FROST WALLS	
07250	FIREPROOFING	-	87,252	(87,252)	TYPICAL USES SPRAY FIREPROOFING ON STEEL FRAME	
07500	ROOFING & SHEETMETAL	64,926	64,800	126	MINOR AREA DIFFERENCES	
07920	CAULKING	13,740	14,531	(791)	MINOR AREA DIFFERENCES	
08100	HOLLOW METAL	12,600	12,600	-		
08400	ENTRANCES & STOREFRONTS	21,680	21,680	-		
08700	HARDWARE	14,400	14,400	-		
08950	EXTERIOR FAÇADE	1,097,724	956,857	140,867	ACTUAL HAS GREATER AREA OF FAÇADE INCLUDING RADIAL PANELS	
09000	INTERIOR FITOUT	98,400	98,400	-		
09500	ACOUSTIC CEILING	26,960	26,960	-		
09250	DRYWALL	136,652	117,275	19,377	ACTUAL HAS GREATER AREA OF EXTERIOR WALL FURRING	
09900	PAINTING	52,176	52,176	-		
10400	IDENTIFYING DEVICES	5,000	5,000	-		
14200	ELEVATOR	210,000	210,000	-		
15300	SPRINKLER	131,130	130,878	252	MINOR AREA DIFFERENCES	
15400	PLUMBING	218,500	218,500	-		
15500	HVAC	538,380	538,380	-		
16050	ELECTRICAL WORK	391,594	391,056	538	MINOR AREA DIFFERENCES	
	SUBTOTAL	5,419,653	4,781,339	638,314		
	GENERAL CONDITIONS	12%	650,358	573,761		
	SUBTOTAL		5,355,100	714,912		
	CONTRACTORS INSURANCE	3%	182,100	160,653		
	TOTAL		5,515,753	736,359		

321 EAST 60TH STREET – AS OF RIGHT COMMERCIAL

COMPARATIVE EVALUATION OF ACTUAL AS OF RIGHT BUILDING (FAR 5.0) VERSUS
TYPICAL AS OF RIGHT BUILDING

SITE CONFIGURATION

1. TEMPORARY CONSTRUCTION

Actual building requires longer sidewalk bridge and construction fence.

Actual sidewalk bridge	216 Lf x \$150=	\$32,400
Actual Construction fence	220 Lf X \$30 =	\$ 6,600
Typical sidewalk bridge	166 Lf x \$150=	\$24,900
Typical Construction fence	136 Lf X \$30 =	\$ 4,080

\$ 10,000

2. SITEWORK

Actual Building has a greater quantity of sidewalks & Curbs and
Plaza Paving

Actual concrete sidewalk	2,430 Sf x \$20=	\$48,600
Actual concrete curb	186 Lf X \$60 =	\$ 11,160
Actual Street Repair	186 Lf X \$50 =	\$ 9,300
Actual Plaza Paving	2,060 Sf x \$15=	\$30,900
Typical concrete sidewalk	1,768 Sf x \$20=	\$35,360
Typical concrete curb	136 Lf X \$60 =	\$ 8,160
Typical Street Repair	136 Lf X \$50 =	\$ 6,800

\$ 50,000

3. EXTERIOR FAÇADE

Actual Building has curved façade and greater area of façade

<u>Actual Façade</u>		
Lot Line Walls	13,192 SF x \$22 =	\$ 290,224
Windowwall – Straight	3,668 SF x \$55 =	\$ 201,740
Windowwall – Curved	4,470 SF x \$75 =	\$ 335,250
Stucco & CMU Walls	2,385 SF x \$37 =	\$ 88,245
Slab Edge caps	683 SF x \$40 =	\$ 27,320
Stucco on Lot Line walls	4,648 SF x \$15 =	\$ 69,720
Stucco/CMU Parapets	575 SF x \$95 =	\$ 54,625
Exterior Wall Furring	30,367 Sf x \$4.5=	\$ 136,652
Bulkhead Walls	765 SF x \$40 =	\$ 30,600
		<u>\$1,234,376</u>

Typical Façade

Lot Line Walls	12,648 SF x \$22 = \$	278,256
Windowwall – Straight	8,568 SF x \$55 = \$	471,240
Windowwall – Curved	0 SF x \$75 = \$	0
Stucco & CMU Walls	1,688 SF x \$37 = \$	62,456
Slab Edge caps	952 SF x \$40 = \$	38,080
Stucco on Lot Line walls	1,440 SF x \$15 = \$	21,600
Stucco/CMU Parapets	575 SF x \$95 = \$	54,625
Exterior Wall Furring	26,061 Sf x \$4.5 = \$	117,275
Bulkhead Walls	765 SF x \$40 = \$	<u>30,600</u>
		\$1,074,132

\$ 159,000

TOTAL SITE CONFIGURATION PREMIUM

\$ 219,000

ED KOCH BRIDGE EXIT RAMP ENCUMBRANCE

Due to the proximity of the elevated exit ramp from the Ed Koch Bridge, we are unable to utilize a crane to erect our superstructure for the obvious safety concerns. Based on our inability to use a crane, we are forced to utilize a superstructure framing system that does require a crane.

On a typical office building construction, the superstructure of the building would be steel and metal decking with concrete topping and spray fireproofing. Our only logical choice for the superstructure framing system for this site would be reinforced concrete which would be pumped rather than hoisted by the crane.

Actual Superstructure

Reinforced Concrete	29,140 Sf x \$52 = \$	1,515,280
Concrete Stairs	18 FLT x \$4500 = \$	<u>81,000</u>
		\$1,596,280

Typical Superstructure

Structural Steel	150 TON x \$4500=\$	675,000
Metal Decking	29,084SFx \$3.25 = \$	94,523
Spray Fireproofing	29,084SFx \$3.00 = \$	87,252
Concrete Fill On Decking	29,084SFx \$7.50 = \$	218,130
Concrete Fill On Stairs	18 FLT x \$1200 = \$	21,600
Metal Pan Stairs	18 FLT x \$4500 = \$	<u>81,000</u>
		\$1,177,505

TOTAL BRIDGE RAMP ENCUMBRANCE PREMIUM

\$ 419,000

GENERAL CONDITIONS

The actual building using a concrete superstructure will require longer to build

\$ 77,000

INSURANCE

Insurance is a percentage of the construction cost

\$ 21,000

TOTAL

\$ 736,000

321 EAST 60TH STREET

Proposed Residential

Preliminary Construction Cost Estimate

New York, New York

June 10, 2013

McQUILKIN ASSOCIATES, LLC

Construction Consultants

500 Morris Avenue
Springfield, NJ 07081
Tel: 973-218-1600
Fax: 973-218-1700

McQUILKIN ASSOCIATES, LLC
PROJECT: 321 EAST 60TH STREET
LOCATION: NEW YORK, NY

DATE: 6/10/13
REV.:

PROPOSED RESIDENTIAL

QUALIFICATIONS

- 1 Estimate is based on drawings P-000 through P-007 dated 12/15/11 as prepared by Gerald J. Caliendo, R.A., A.I.A.
- 2 Escalation - Estimate Based on Construction Start 3rd Qtr 2013

EXCLUSIONS

- 1 Demolition work - Existing Buildings
- 2 Design/Professional fees.
- 3 Surveys & Reports
- 4 Treatment/Removal of Contaminated Materials
- 5 Controlled Testing and Inspection
- 6 Public Agency Approvals/Inspection Fees
- 7 Building permit/filing fees.
- 8 Builder's risk insurance.
- 9 Utility Company Charges (other than Temporary for Contractor)
- 10 Overtime
- 11 Performance Bond
- 12 Parking Stacker Units
- 13 Mock-Ups
- 14 Contractors Profit or Construction Manager's Fee

CSI CODE	DESCRIPTION	AMOUNT
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PROPOSED RESIDENTIAL

01500	TEMPORARY CONSTRUCTION	264,000
02050	BUILDING DEMOLITION	NIC
02500	SITE IMPROVEMENTS	99,960
02600	SITE UTILITIES	85,000
02950	EXCAVATION/FOUNDATION	258,255
3300	SUPERSTRUCTURE CONCRETE	1,614,760
04100	MASONRY	205,964
05500	MISCELLANEOUS IRON	69,670
06100	ROUGH CARPENTRY	118,835
06200	FINISH CARPENTRY	115,481
07100	WATERPROOFING	6,375
07510	ROOFING/INSULATION/FIRESTOPPING	64,926
07900	CAULKING & SEALANTS	26,240
08100	HOLLOW METAL	20,650
08200	WOOD DOORS	19,950
08400	ENTRANCES AND STOREFRONT	21,680
08700	HARDWARE	31,975
08950	EXTERIOR FAÇADE	1,097,724
09000	INTERIOR FIT OUT	38,400
09250	DRYWALL	534,948
09300	TILE	68,495
09500	ACOUSTIC TILE	26,960
09550	WOOD FLOORING	137,078
09650	RESILIENT FLOORING	10,833
09900	PAINTING	164,283
10400	IDENTIFYING DEVICES	4,200
10800	TOILET ACCESSORIES	12,250
11450	RESIDENTIAL EQUIPMENT	84,000
14200	ELEVATORS	210,000
15300	FIRE PROTECTION	160,270
15400	PLUMBING	506,400
15500	HEATING, VENTILATING AND AIR CONDITIONING	468,000
16,000	ELECTRICAL WORK	691,826
		<hr/>
		SUBTOTAL
	GENERAL CONDITIONS 12%	7,239,387
		<hr/>
		SUBTOTAL
	INSURANCE 3%	8,108,114
		<hr/>
		TOTAL
		<hr/>
		8,351,357

EXHIBIT B: REALTY RATES RESEARCH

RealtyRates.com INVESTOR SURVEY - 2nd Quarter 2013*

APARTMENTS - ALL TYPES

Item	Input					OAR
Minimum						
Spread Over 10-Year Treasury	0.62%	DCR Technique	110	0.040238	0.90	3.98
Debt Coverage Ratio	1.10	Band of Investment Technique				
Interest Rate	2.60%	Mortgage	90%	0.040238	0.036215	
Amortization	40.0	Equity	10%	0.068388	0.006839	
Mortgage Constant	0.040238	OAR				4.31
Loan-to-Value Ratio	90%	Surveyed Rates				4.09
Equity Dividend Rate	6.84%					
Maximum						
Spread Over 10-Year Treasury	6.52%	DCR Technique	196	0.118169	0.50	11.58
Debt Coverage Ratio	1.96	Band of Investment Technique				
Interest Rate	8.50%	Mortgage	50%	0.118169	0.059084	
Amortization	15.0	Equity	50%	0.164298	0.082149	
Mortgage Constant	0.118169	OAR				14.12
Loan-to-Value Ratio	50%	Surveyed Rates				13.42
Equity Dividend Rate	16.43%					
Average						
Spread Over 10-Year Treasury	2.70%	DCR Technique	143	0.065791	0.73	6.87
Debt Coverage Ratio	1.43	Band of Investment Technique				
Interest Rate	4.68%	Mortgage	73%	0.065791	0.048052	
Amortization	27	Equity	27%	0.121139	0.032662	
Mortgage Constant	0.065791	OAR				8.07
Loan-to-Value Ratio	73.0%	Surveyed Rates				8.80
Equity Dividend Rate	12.11%					

RealtyRates.com INVESTOR SURVEY - 2nd Quarter 2013*

OFFICE - ALL TYPES

Item	Input					OAR
Minimum						
Spread Over 10-Year Treasury	0.82%	DCR Technique	1.15	0.049307	0.90	5.10
Debt Coverage Ratio	1.15	Band of Investment Technique				
Interest Rate	2.80%	Mortgage	90%	0.049307	0.044377	
Amortization	30	Equity	10%	0.081515	0.008152	
Mortgage Constant	0.049307	OAR				5.25
Loan-to-Value Ratio	90%	Surveyed Rates				4.99
Equity Dividend Rate	8.15%					
Maximum						
Spread Over 10-Year Treasury	6.52%	DCR Technique	2.25	0.118169	0.50	13.29
Debt Coverage Ratio	2.25	Band of Investment Technique				
Interest Rate	8.50%	Mortgage	50%	0.118169	0.059084	
Amortization	15	Equity	50%	0.170565	0.085283	
Mortgage Constant	0.118169	OAR				14.44
Loan-to-Value Ratio	50%	Surveyed Rates				13.71
Equity Dividend Rate	17.06%					
Average						
Spread Over 10-Year Treasury	3.17%	DCR Technique	1.70	0.071204	0.73	8.78
Debt Coverage Ratio	1.70	Band of Investment Technique				
Interest Rate	5.15%	Mortgage	73%	0.071204	0.051623	
Amortization	25	Equity	28%	0.130493	0.035885	
Mortgage Constant	0.071204	OAR				8.75
Loan-to-Value Ratio	72.5%	Surveyed Rates				10.11
Equity Dividend Rate	13.05%					

EXHIBIT C: PROFESSIONAL QUALIFICATIONS

Resumé

JACK FREEMAN

Jack Freeman is principal of J.S. Freeman Associates and Freeman/Frazier & Associates. Mr. Freeman's professional background combines real estate finance, development planning, project management and public sector experience to provide comprehensive real estate advisory services to the benefit of his clients.

His development financing background includes several years experience as a mortgage Officer for The New York City Community Preservation Corporation, responsible for construction and permanent loan origination. The Corporation is a consortium of the New York City Commercial Banks and Savings Institutions, established to provide mortgage financing for multifamily housing rehabilitation and economic development.

Public Sector experience includes the position of Director, New York City Department of City Planning, Zoning Study Group and Senior Staff positions in the Mayor's Office of Development, responsible for management of major commercial and residential projects in Lower Manhattan.

As a developer, Mr. Freeman has been a principal and General Partner in the development of multifamily market rate and affordable housing projects, with a value in excess of \$17 million.

In 1993, Mr. Freeman was appointed, and served until 1996, as a Commissioner of the New York City Landmarks Preservation Commission. For three years, Mr. Freeman was a member of the New York State Council of Arts Capital Program Review Panel. He has been a recipient of a National Endowment for the Arts Grant for Architecture and a Progressive Architecture Award for Urban Design.

Mr. Freeman is a Licensed Real Estate Broker, a member of the Real Estate Board of New York, the Urban Land Institute and the American Planning Association. He has taught Real Estate Development as a member of the Graduate Faculty of the City University of New York and has been a regular lecturer in Real Estate Finance at Princeton University.

Mr. Freeman holds a Masters Degree in City Planning from the City University of New York and a Bachelor of Architecture Degree from Cooper Union.

real estate consulting services

j.s.freeman associates, inc.

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