

ECONOMIC ANALYSIS
10 WEST 70TH STREET
NEW YORK, NY
AUGUST 12, 2008
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SCHEDULE A: ANALYSIS SUMMARY

| | REVISED PROPOSED DEVELOPMENT W/O PENTHOUSE W/O TERRACES | REVISED PROPOSED DEVELOPMENT W/O PENTHOUSE W/TERRACES | REVISED PROPOSED DEVELOPMENT W/O 8th FLOOR W/O TERRACES | REVISED PROPOSED DEVELOPMENT W/O 8th FLOOR W/TERRACES |
|---------------------------------------|---|---|---|---|
| BUILDING AREA (SQ.FT.) | | | | |
| BUILT RESIDENTIAL AREA | 21,798 | 21,798 | 18,006 | 18,006 |
| SELLABLE AREA | 13,454 | 13,454 | 11,835 | 11,835 |
| CAPITAL INVESTMENT SUMMARY | | | | |
| ACQUISITION COST | \$12,347,000 | \$12,347,000 | \$12,347,000 | \$12,347,000 |
| HOLDING & PREP. COSTS | \$0 | \$0 | \$0 | \$0 |
| BASE CONSTRUCTION COSTS | \$6,547,000 | \$6,547,000 | \$6,291,000 | \$6,291,000 |
| SOFT CONSTRUCTION COSTS | \$6,170,000 | \$6,170,000 | \$5,809,000 | \$5,809,000 |
| | \$25,064,000 | \$25,064,000 | \$24,447,000 | \$24,447,000 |
| PROJECT VALUE | | | | |
| SALE OF UNITS | \$31,082,000 | \$31,551,000 | \$28,764,000 | \$29,233,000 |
| (less) SALES COMMISSIONS | 6% (\$1,865,000) | (\$1,893,000) | (\$1,726,000) | (\$1,754,000) |
| EST. NET PROJECT VALUE | \$29,217,000 | \$29,658,000 | \$27,038,000 | \$27,479,000 |
| PROJECT INVESTMENT | | | | |
| ACQUISITION COST | \$12,347,000 | \$12,347,000 | \$12,347,000 | \$12,347,000 |
| HOLDING & PREP. COSTS | \$0 | \$0 | \$0 | \$0 |
| BASE CONSTRUCTION COSTS | \$6,547,000 | \$6,547,000 | \$6,291,000 | \$6,291,000 |
| SOFT CONSTRUCTION COSTS | \$6,170,000 | \$6,170,000 | \$5,809,000 | \$5,809,000 |
| CARRYING COSTS DURING SALES PERIOD | \$664,000 | \$664,000 | \$637,000 | \$637,000 |
| EST. TOTAL INVESTMENT | \$25,728,000 | \$25,728,000 | \$25,084,000 | \$25,084,000 |
| RETURN ON INVESTMENT | | | | |
| ESTIMATED PROJECT VALUE | \$29,217,000 | \$29,658,000 | \$27,038,000 | \$27,479,000 |
| (less) EST. TOTAL INVESTMENT | (\$25,728,000) | (\$25,728,000) | (\$25,084,000) | (\$25,084,000) |
| (less) EST. TRANSACTION TAXES | (\$567,000) | (\$576,000) | (\$525,000) | (\$534,000) |
| EST. PROFIT (loss) | \$2,922,000 | \$3,354,000 | \$1,429,000 | \$1,861,000 |
| DEVELOPMENT/SALES PERIOD (MONTHS) | 28 | 28 | 26 | 26 |
| ANNUALIZED PROFIT (loss) | \$1,252,000 | \$1,437,000 | \$660,000 | \$859,000 |
| RETURN ON TOTAL INVESTMENT | 11.36% | 13.04% | 5.70% | 7.42% |
| ANNUALIZED RETURN ON TOTAL INVESTMENT | 4.87% | 5.59% | 2.63% | 3.42% |

NOTE : ALL \$ FIGURES ROUNDED TO NEAREST THOUSAND

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SCHEDULE B : DEVELOPMENT COSTS

| | | REVISED PROPOSED DEVELOPMENT W/O PENTHOUSE | REVISED PROPOSED DEVELOPMENT W/O 8th Floor |
|----------------------------------|--------|---|---|
| DEVELOPMENT COST SUMMARY | | | |
| ACQUISITION COSTS | | \$12,347,000 | \$12,347,000 |
| HOLDING & PREP. COSTS: | | \$0 | \$0 |
| BASE CONSTRUCTION COSTS | | \$6,547,000 | \$6,291,000 |
| TENANT FIT-OUT COSTS | | | \$0 |
| EST.SOFT COSTS | | \$6,170,000 | \$5,809,000 |
| EST. TOTAL DEV.COSTS | | \$25,064,000 | \$24,447,000 |
| ACQUISITION COSTS : | | | |
| Land Purchase Price | | \$12,347,000 | \$12,347,000 |
| TOTAL LAND VALUE | | \$12,347,000 | \$12,347,000 |
| HOLDING & PREP. COSTS: | | \$0 | \$0 |
| BASE CONSTRUCTION COSTS : | | \$6,547,000 | \$6,547,000 |
| TENANT FIT-OUT COSTS | | | |
| EST.CONST.LOAN AMOUNT : | | \$24,770,000 | \$23,663,000 |
| EST.CONST.PERIOD(MOS) : | | 24 | 22 |
| EST. SOFT COSTS : | | | |
| Builder's Fee/Developer's Profit | 3.00% | \$752,000 | \$733,000 |
| Archit.& Engin. Fees | 8.00% | \$524,000 | \$524,000 |
| Bank Inspect.Engin. | | \$34,000 | \$32,000 |
| Construction Management | 5.00% | \$262,000 | \$262,000 |
| Inspections, Borings & Surveys | | | |
| Laboratory Fees | LS | \$5,000 | \$5,000 |
| Soil Investigation | LS | \$10,000 | \$10,000 |
| Preliminary Surveys | LS | \$5,000 | \$5,000 |
| Ongoing Surveys | LS | \$10,000 | \$10,000 |
| Environmental Surveys/Reports | LS | \$2,000 | \$2,000 |
| Controlled Inspection Fees | LS | \$45,000 | \$45,000 |
| Legal Fees | | | |
| Dev.Legal Fees | | \$150,000 | \$150,000 |
| Con.Lender Legal | | \$62,000 | \$59,000 |
| End Loan Legal | | \$0 | \$0 |
| Permits & Approvals | | | |
| D.O.B. Fees | 25.53% | \$115,000 | \$113,000 |
| Cond/Co-op Offering Plan | | \$30,000 | \$30,000 |
| Other | | \$40,000 | \$40,000 |
| Accounting Fees | | \$5,000 | \$5,000 |
| Consultant Fees | | \$0 | \$0 |
| Appraisal Fees | | \$8,000 | \$8,000 |
| Marketing/Pre-Opening Expenses | | | |
| Sales Expenses & Advertising | | \$198,000 | \$198,000 |
| Financing and Other Charges | | | |
| Con.Loan Int. @ Loan Rate = | 9.50% | \$2,353,000 | \$2,061,000 |
| Con.Lender Fees | 1.00% | \$248,000 | \$237,000 |
| Construction Real Estate Tax | | \$445,000 | \$445,000 |
| Title Insurance | 0.33% | \$83,000 | \$81,000 |
| Mtge.Rec.Tax | 2.75% | \$681,000 | \$651,000 |
| Construction Insurance | 1.00% | \$98,000 | \$98,000 |
| Water and Sewer | | \$5,000 | \$5,000 |
| Other | | \$0 | \$0 |
| TOTAL EST.SOFT COSTS | | \$6,170,000 | \$5,809,000 |

NOTE : ALL \$ FIGURES ROUNDED TO NEAREST THOUSAND

Freeman/Frazier & Associates, Inc.
 Date : August 12, 2008
 Property : 10 West 70th Street
 Block, Lot : Blk 1122, Lot 37
 Total Land Area : 6,472 sq.ft.
 Zone : R8B & R10A
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Schedule C1: Revised Proposed Residential Condominium Pricing w/o PH
 No Terraces

| Floor | Area | Price | Price/SF | Outdoor Space |
|-------|--------|--------------|----------|---------------|
| Five | 3,337 | \$7,675,100 | \$2,300 | 0 |
| Six | 3,292 | \$7,027,609 | \$2,135 | 0 |
| Seven | 3,418 | \$7,860,526 | \$2,300 | 0 |
| Eight | 3,408 | \$8,519,050 | \$2,500 | 0 |
| Total | 13,454 | \$31,082,285 | \$2,310 | |

Schedule C1: Revised Proposed Residential Condominium Pricing w/o PH

| Floor | Area | Price | Price/SF | Outdoor Space |
|-------|--------|--------------|----------|---------------|
| Five | 3,337 | \$7,994,225 | \$2,300 | 555 |
| Six | 3,292 | \$7,177,059 | \$2,135 | 140 |
| Seven | 3,418 | \$7,860,526 | \$2,300 | 0 |
| Eight | 3,408 | \$8,519,050 | \$2,500 | 0 |
| Total | 13,454 | \$31,550,860 | \$2,345 | |

Schedule C2: Revised Proposed Residential Condominium Pricing w/o 8th Floor
 No Terraces

| Floor | Area | Price | Price/SF | Outdoor Space |
|-------|--------|--------------|----------|---------------|
| Five | 3,337 | \$7,675,100 | \$2,300 | 0 |
| Six | 3,292 | \$7,027,609 | \$2,135 | 0 |
| Seven | 3,418 | \$7,518,764 | \$2,200 | 0 |
| PH | 1,789 | \$6,542,900 | \$2,600 | 1455 |
| Total | 11,835 | \$28,764,373 | \$2,430 | |

Schedule C2: Revised Proposed Residential Condominium Pricing w/o 8th Floor

| Floor | Area | Price | Price/SF | Outdoor Space |
|-------|--------|--------------|----------|---------------|
| Five | 3,337 | \$7,994,225 | \$2,300 | 555 |
| Six | 3,292 | \$7,177,059 | \$2,135 | 140 |
| Seven | 3,418 | \$7,518,764 | \$2,200 | 0 |
| PH | 1,789 | \$6,542,900 | \$2,600 | 1455 |
| Total | 11,835 | \$29,232,948 | \$2,470 | |