

**REVISED RESTRICTED APPRAISAL REPORT
IN SUMMARY FORMAT
OF:**

St. Paul's Academy
And the Underlying Land
Garden City, NY

For:

Mr. Gary Fishberg
Cullen and Dyckman LLP
100 Quentin Roosevelt Boulevard
Garden City, NY 11530-4850

By:

Grubb & Ellis Consulting Services Company
1177 Avenue of the Americas, 3rd Floor
New York, New York 10036

April 7, 2008

Mr. Gary Fishberg, Esq.
Cullen and Dykman LLP
100 Quentin Roosevelt Boulevard
Garden City, NY 11530-4850

Re: **Revised Appraisal of
St. Paul's Academy and Underlying Land
Garden City, N.Y. 11530**

Dear Mr. Fishberg:

The attached is a revised appraisal for the redevelopment of the Main Building and adjacent Ellis Hall of the former St. Paul's Academy in Garden City, Nassau County, New York that comprised the southeasterly corner of the 48-acre former St. Paul's Academy campus. The subject parcel (approximately 7 acres) runs 579 feet northwest from the intersection of Stewart and Rockaway Avenues, then 319 feet west, then 151 feet south, then 87 feet west, then 180 feet south, then 101 feet southwest, then 164 feet south-southwest, and then 706 feet east to the point of beginning (see Site Plan). The Nassau County Assessor's office identifies the site as Section 33, Block 92, Lot 65, or 295 Stewart Avenue.

Background:

In August of 2005, Grubb & Ellis was engaged by the Village of Garden City as part of a team lead by K. Backus & Associates to evaluate the financial feasibility of private redevelopment of the historic St. Paul's Academy site. Based on the team's initial feasibility analysis, which considered 2 basic development schemes – construction within the existing historic building (“E-configuration”) and preservation of the facades with new construction behind the front and side facades (“C-configuration”) – Grubb & Ellis prepared a highest and best use appraisal of the “C-configuration”, which was determined to be more financially viable.

The draft appraisal of the “C-configuration” development scenario, which was delivered to K. Backus & Associates in October 2005, assumed preservation of the south, west and east facades with 5-story new construction accommodating 86 units in 104,000 SF of saleable area behind the preserved facades. The project also included demolition of a 16,000 SF annex building (Ellis Hall), construction of a combination of underground and surface parking, and construction of a new 3,500 SF gym and pool facility for building residents.

The appraisal identified luxury residential condominium development as the highest and best use with a corresponding value of \$20 million. This estimate was based on a residual land value analysis assuming total project costs of \$55.8M or \$535 per net square foot (NSF) and construction in 2006. Based on the robust residential market at the time of the appraisal, our analysis projected an average

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sales price of \$732 per NSF, which was escalated at 12% per year, yielding estimated average prices of \$918-\$1,028 per NSF during sellout in 2007 and 2008.

Following delivery of the draft appraisal to K. Backus & Associates, the development guidelines were modified by the Village, and the October 2005 appraisal was never finalized or delivered to the Village.

In July of 2006, Grubb & Ellis was asked to revise the draft appraisal based on the Village-preferred "E-configuration" development assumption, which was set forth as a requirement in the Request for Proposals (RFP) issued by the Village in the same month. The decision to pursue the "E-configuration" was a result of the consultant team's intensive market testing of both the "C" and "E" concepts with the development community throughout the spring of 2006. Developers expressed a strong preference for the "E-configuration," although additional new development on the site was seen as essential to offset increased project costs and risk.

The revised appraisal, which was provided to K. Backus & Associates in November 2006, stated a significantly lower residual land value than was estimated in the October 2005 appraisal. Based on plans developed for the "E-configuration" by the team's architect, the revised appraisal assumed 67 units and 98,000 SF of saleable area in the Main Building, with an option to convert Ellis Hall into 9 additional units totaling 14,000 saleable SF. Based on the revised assumptions and updated market conditions, Grubb & Ellis estimated residual land values of negative \$1.8M with demolition of Ellis Hall, and \$2.4M with conversion of Ellis Hall into additional residential units. The reduction in value was the result of reduced saleable area, higher construction costs and escalation in construction pricing, lower initial sales price assumptions due to less desirable residential layouts, more conservative sales price escalation assumptions resulting from the softening of the residential market, and the correction of total project costs to include industry-standard soft costs. Updated project costs, assuming construction in 2007, ranged from \$692-\$733 per NSF. Current average sales prices were estimated at \$768 per NSF, which were escalated at 6% for two years, and 12% the third year, yielding estimated average sales prices of \$863 and \$967 per NSF during sellout in 2008 and 2009.

In February of 2008, Grubb & Ellis was engaged to complete the attached appraisal, which updates the November 2006 appraisal to reflect changing market conditions. The development assumptions of the 2006 appraisal were held constant. Adjusting for increases in construction costs and reduced sales prices and sales price appreciation, Grubb & Ellis estimates a value of negative \$14.0M for redevelopment of the Main Building only, and negative \$11.2M for redevelopment of the Main Building with conversion of Ellis Hall to residential condominiums. Assuming construction in 2008/2009, the previous construction cost estimates were escalated 10%, yielding total project costs of \$760 and \$806 per NSF (based on either conversion or demolition of Ellis Hall). The estimated current sales price was held at \$768 per NSF, and escalated at 3% per year for 3 years, yielding average sales prices of \$815 and \$840 per NSF during sellout in 2009/2010 and 2010/2011.

The following chart summarizes the key assumptions regarding development, timing, project costs, and pricing that were used for the three appraisals we have prepared for the St. Paul's Academy:

Mr. Gary Fishberg, Esq.
Cullen and Dykman LLP

	Oct-2005 DRAFT	Nov-2006 Appraisal		April-2008 Revised Appraisal		
Summary						
Main Building	C - configuration	E - configuration	E - configuration	E - configuration	E - configuration	
Ellis Hall	Demolish	Convert to Condos	Demolish	Convert to Condos	Demolish	
Other	Pool/gym	Pool/gym	Pool/gym	Pool/gym	Pool/gym	
Parking	Underground and surface	Underground	Underground	Underground	Underground	
Unit Count						
Main Building	86	67	67	67	67	
Ellis Hall	-	9	-	9	-	
Total Units	86	76	67	76	67	
Total Gross SF	118,756	141,651	125,571	141,651	125,571	
Total Net SF	104,423	111,652	97,897	111,652	97,897	
Timing						
Construction	2006	2007		2008/2009		
Sell-out	2007-2008	2008-2009		2009/2010 - 2010/2011		
Project Costs						
Construction Costs						
Residential Building		\$ 41,269,793	\$ 41,269,793	\$ 45,396,772	\$ 45,396,772	
Parking Garage		\$ 7,552,167	\$ 7,552,167	\$ 8,307,384	\$ 8,307,384	
Pool & Fitness Center		\$ 1,690,600	\$ 1,690,600	\$ 1,859,660	\$ 1,859,660	
Ellis Hall		\$ 6,058,110	\$ 1,730,594	\$ 6,663,921	\$ 1,903,654	
Total Construction Costs	\$ 50,471,300	\$ 56,570,670	\$ 52,243,154	\$ 62,227,737	\$ 57,467,470	
Soft Costs	\$ -	\$ 14,142,867	\$ 13,060,788	\$ 15,556,934	\$ 14,366,867	
Other Costs						
Legal Cost for Conversion	\$ 350,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	
Grounds and Exterior	\$ 5,000,000	\$ 6,099,000	\$ 6,099,000	\$ 6,708,900	\$ 6,708,900	
Total Project Costs	\$ 55,821,300	\$ 77,212,337	\$ 71,802,942	\$ 84,893,571	\$ 78,943,237	
Total per GSF	\$ 470	\$ 545	\$ 572	\$ 599	\$ 629	
Total per NSF	\$ 535	\$ 692	\$ 733	\$ 760	\$ 806	
Sale Price Assumptions						
	<i>per NSF</i>	<i>esc.</i>	<i>per NSF</i>	<i>esc.</i>	<i>per NSF</i>	<i>esc.</i>
2005	\$ 732					
2006	\$ 819	12%	\$ 768	\$ 766		
2007 (2007/2008)	\$ 918	12%	\$ 815	6%	\$ 812	6%
2008 (2008/2009)	\$ 1,028	12%	\$ 863	6%	\$ 861	6%
2009 (2009/2010)			\$ 967	12%	\$ 964	12%
2010 (2010/2011)					\$ 840	3%
2010 (2010/2011)					\$ 837	3%
Estimated Value	\$ 20,000,000	\$ 2,400,000	\$ (1,800,000)	\$ (11,200,000)	\$ (14,000,000)	

This updated appraisal is made in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP). This appraisal report complies with the reporting requirements set forth under the Standards Rule 2-2(a) of USPAP for a self-contained appraisal report. This report is made subject to the assumptions and limiting conditions and certification appearing in the appraisal report and does not address any environmental factors that may be present on the property.

Mr. Gary Fishberg, Esq.
Cullen and Dykman LLP

After careful research and analysis of all available information, the market value of the fee simple interest in the land and building known as St. Paul's Academy, including the 7-acre +/- site and Ellis Hall but excluding the 41 acres of playing fields, Cluett Hall, and the Feringa Field House, as of April 7, 2008 was:

NEGATIVE - ELEVEN MILLION TWO HUNDRED THOUSAND DOLLARS
(\$11,200,000)

The market value of the fee simple interest in the land and building known as St. Paul's Academy, including the 7-acre +/- site but assuming Ellis Hall is demolished and excluding the 41 acres of playing fields, Cluett Hall, and the Feringa Field House, as of April 7, 2008 was:

NEGATIVE - FOURTEEN MILLION DOLLARS
(\$14,000,000)

Respectfully,



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SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Address: 295 Stewart Avenue
Garden City, New York. 11530

Nassau County Tax Map Section 33, Block 92, Lot 65

Site Size: 289,800 square feet (7 acres +/-, see Site Plan)

Purpose of Appraisal: To estimate the market value of the fee simple interest in the building and underlying land of St. Paul's Academy

Effective Date of Updated Value: April 7, 2008

Site Description: The subject parcel (approximately 7 acres) runs 579 feet northwest from the intersection of Stewart and Rockaway Avenues, then 319 feet west, then 151 feet south, then 87 feet west, then 180 feet south, then 101 feet southwest, then 164 feet south-southwest, and then 706 feet east to the point of beginning (see Site Plan).

Improvements: The site is improved with a four-story brick and limestone-trimmed structure with a mansard roof containing classrooms, a chapel, meeting rooms, and dormitory rooms, along with the adjacent Ellis Hall. The two buildings comprise approximately 107,000 gross square feet excluding basement areas. After renovation, the building will consist of 125,571 gross square feet (including basement area), or 97,897 net square feet (total condo area). An alternate plan to renovate Ellis Hall would yield 13,755 net square feet from a total 16,080 gross square feet, for a total of 111,652 net square feet and 141,651 gross square feet between the two buildings.

Zoning: The site is currently zoned R-20 which permits, among other uses, residential development with single family homes on 20,000 square foot lots. This appraisal assumes a change in zoning to R-A for multifamily apartment house use. This updated analysis assumes 67 total units (plus 9 units in Ellis Hall in the alternate scenario) and this development would comply with any applicable zoning changes.

Highest and Best
Use As If Vacant:

For redevelopment of residential condominiums
with underground parking.

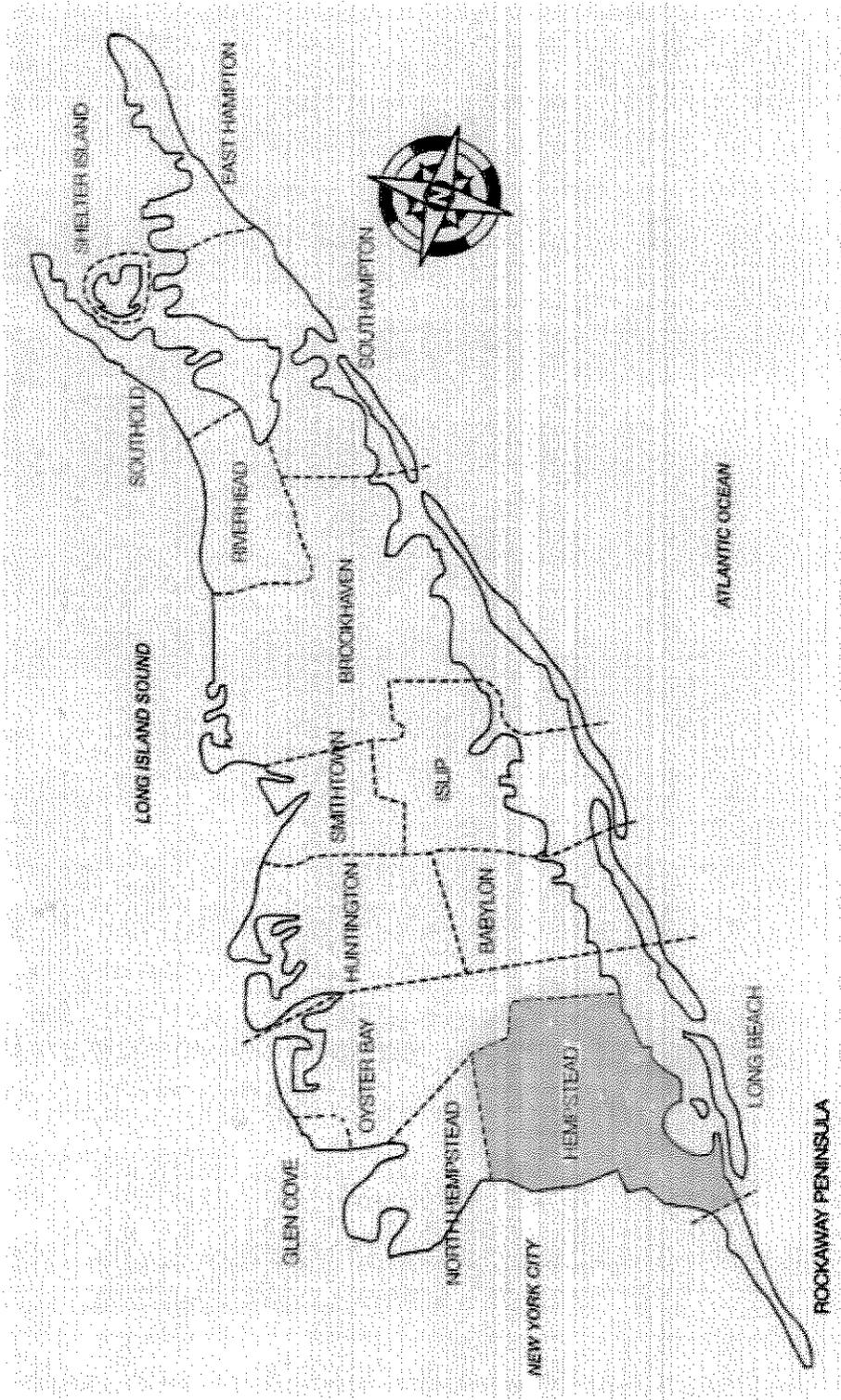
VALUATION CONCLUSIONS

Land Residual Approach:

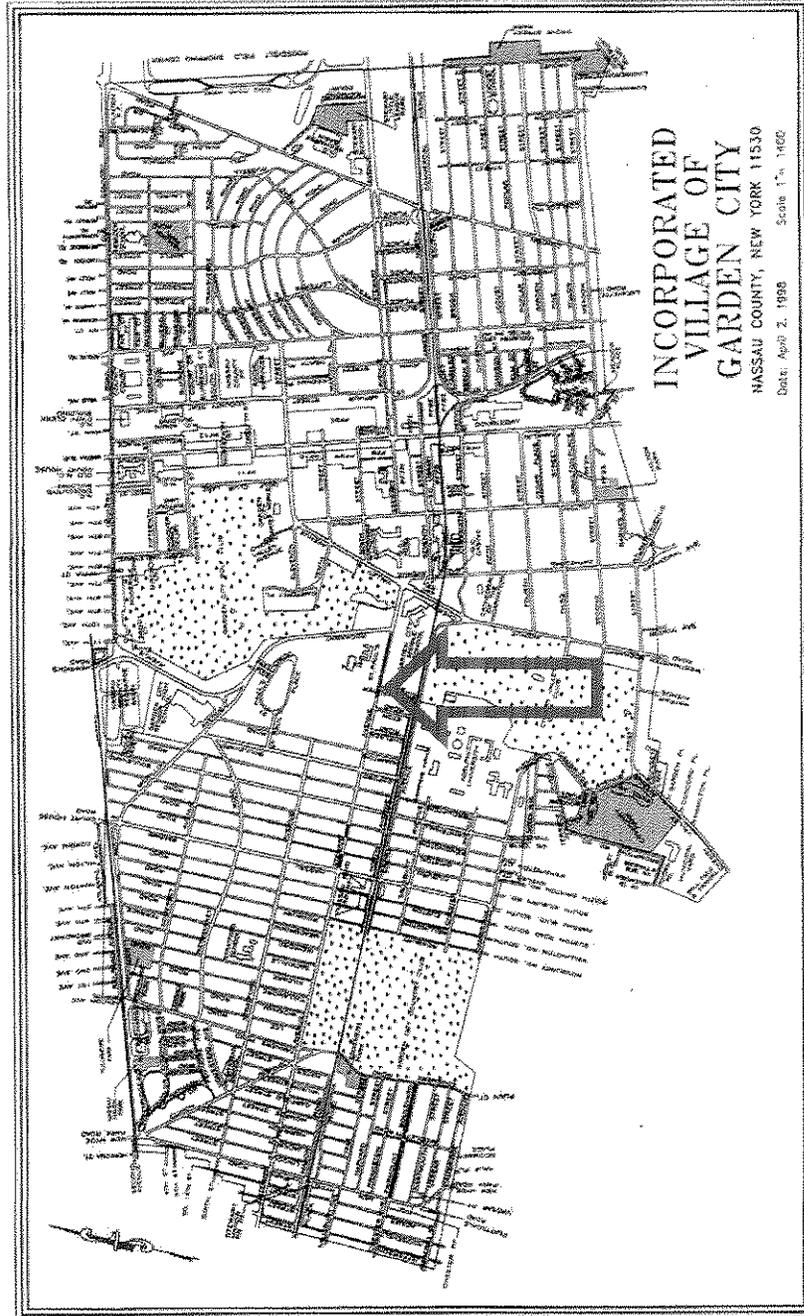
With Ellis Hall (\$11,200,000) (LOSS)

Without Ellis Hall (\$14,000,000) (LOSS)

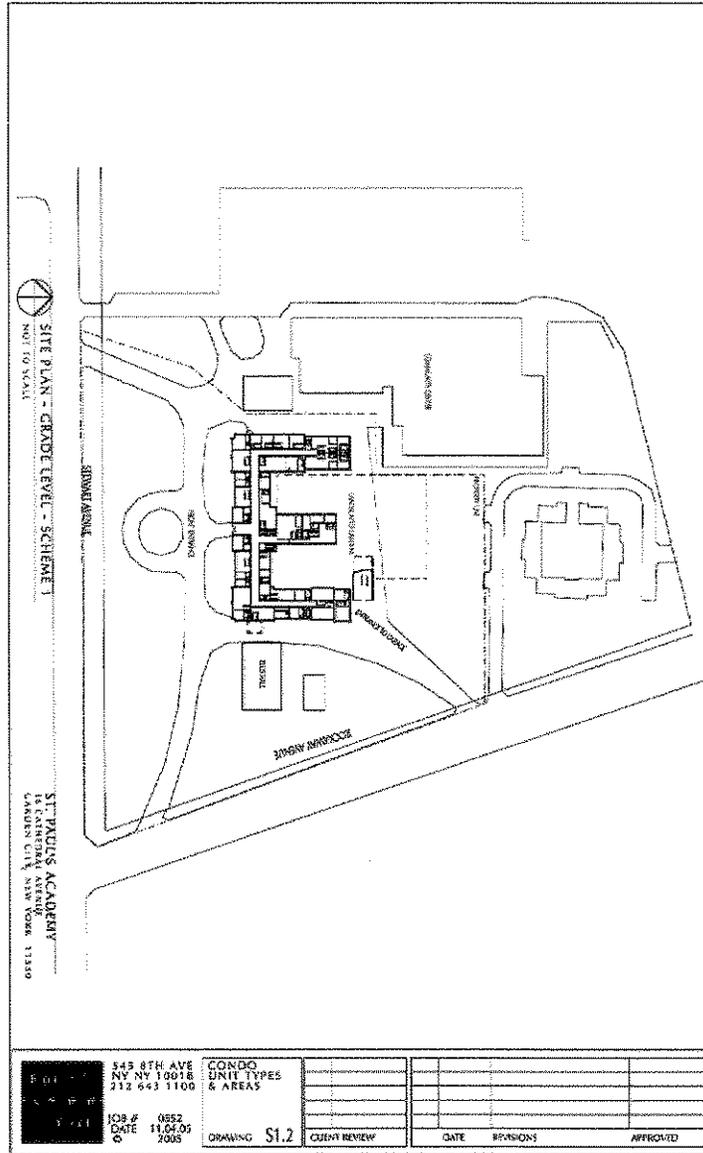
LOCATION MAP, LONG ISLAND



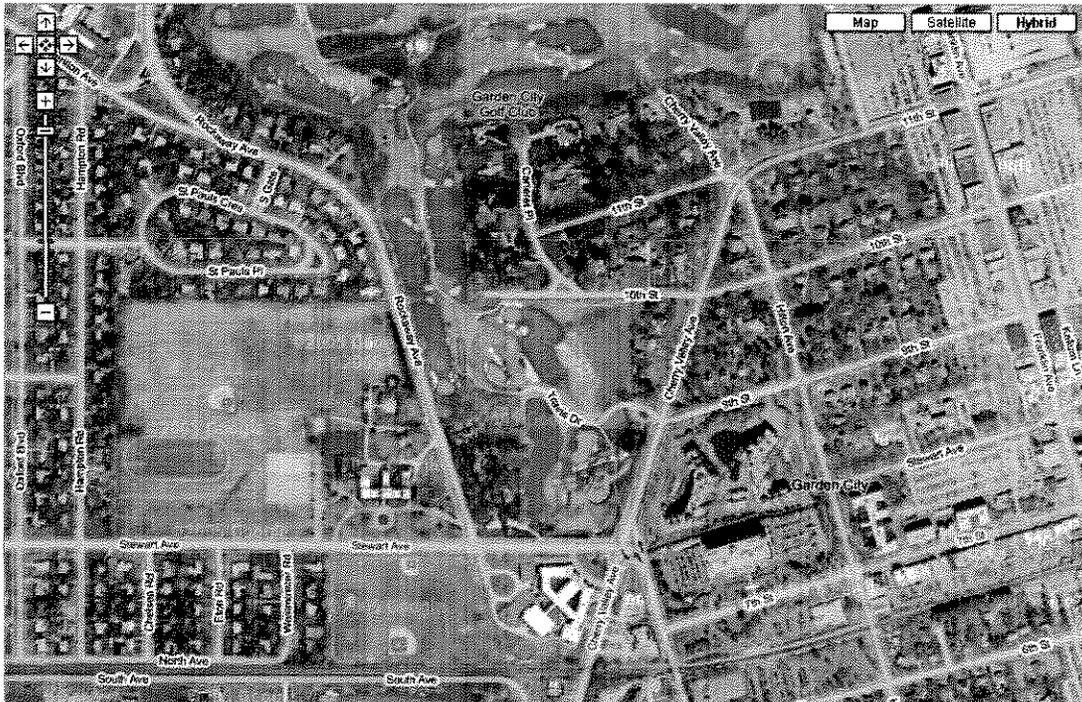
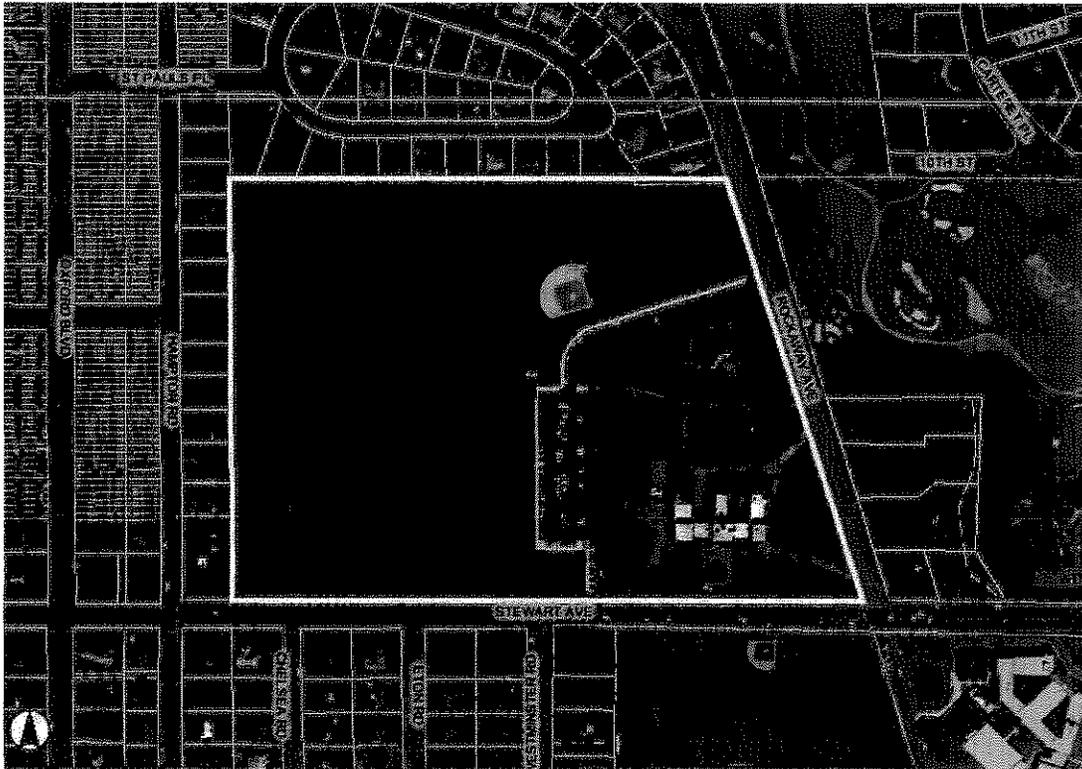
LOCATION MAP, VILLAGE OF GARDEN CITY



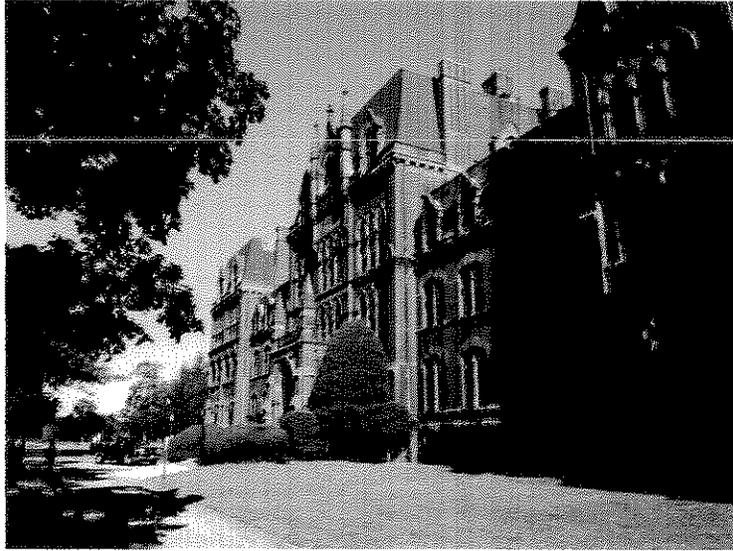
SITE PLAN



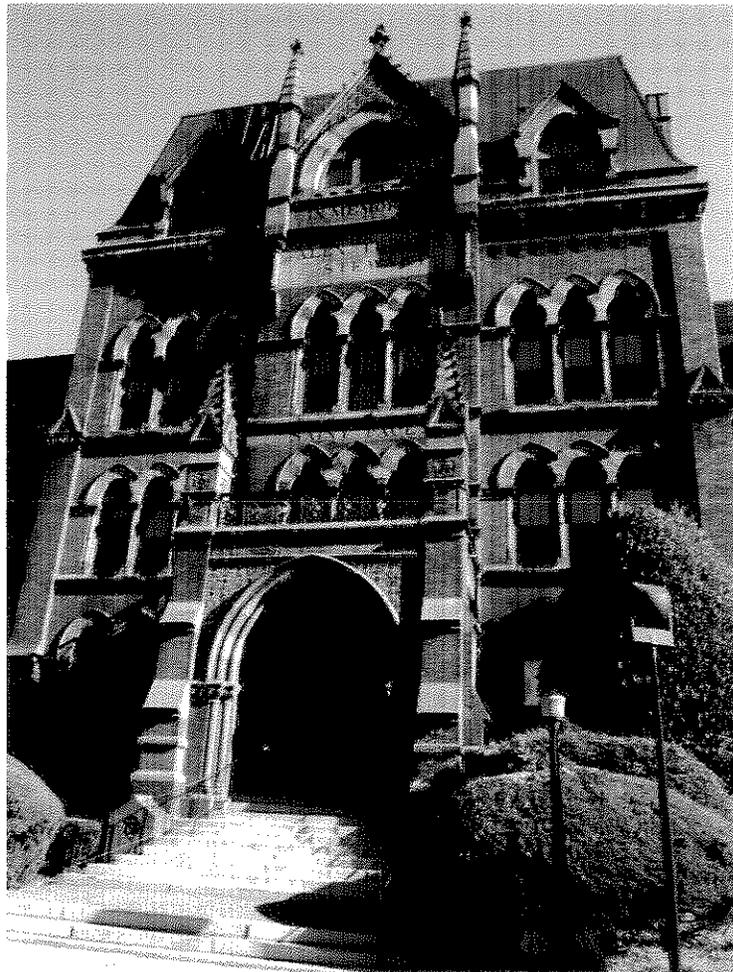
AERIAL VIEWS



PHOTOGRAPHS OF THE SUBJECT PROPERTY



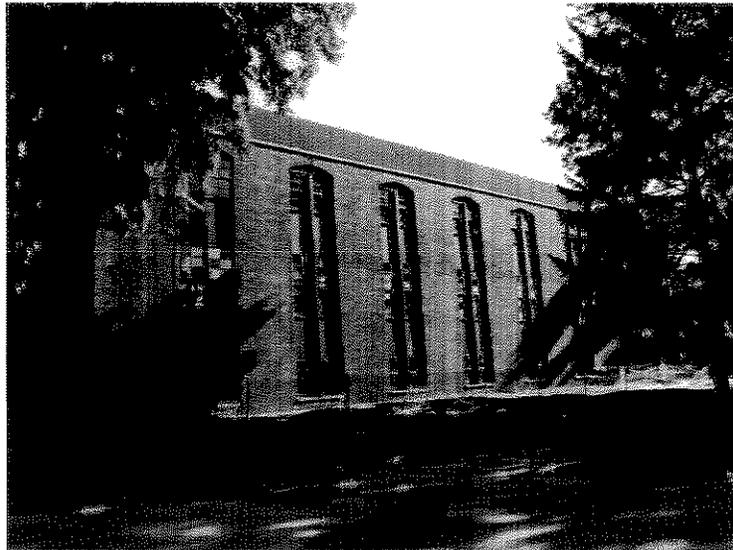
Main Building looking northwest



Main Building looking north



Chapel in Main Building



Ellis Hall



PROPERTY IDENTIFICATION AND DESCRIPTION

The subject parcel (approximately 7 acres) runs 579 feet northwest from the intersection of Stewart and Rockaway Avenues, then 319 feet west, then 151 feet south, then 87 feet west, then 180 feet south, then 101 feet southwest, then 164 feet south-southwest, and then 706 feet east to the point of beginning (see Site Plan). It is known as Nassau County Section 33, Block 92, Lot 65, or 295 Stewart Avenue. The site is improved with a four-story brick and limestone-trimmed structure with a mansard roof containing classrooms, a chapel, meeting rooms, and dormitory rooms, along with the adjacent Ellis Hall. The two buildings comprise approximately 107,000 gross square feet excluding basement areas. After renovation, the main building will consist of 125,571 gross square feet, or 97,897 net square feet (total condo area). An alternate plan to renovate Ellis Hall would yield 13,755 net square feet from a total 16,080 gross square feet, for a total of 111,652 net square feet and 141,651 gross square feet between the two buildings.

CLIENT AND INTENDED USERS

The client for whom this updated appraisal is prepared is Mr. Gary Fishberg, Esq. of Cullen and Dykman LLP for internal analysis.

PURPOSE AND INTENDED USE OF THE APPRAISAL

This updated appraisal is undertaken to estimate the market value of the fee simple interest in the building and underlying land of the subject property as if available for redevelopment as residential condominiums.

PROPERTY RIGHTS APPRAISED

The property rights appraised are the fee simple estate. The fee simple estate is absolute ownership unencumbered by any other interest or estate subject only to the four powers of government.

EFFECTIVE DATE OF APPRAISAL

The effective date of the updated appraisal is April 7, 2008.

PROPERTY OWNERSHIP AND HISTORY

In 1993, the Village acquired the 48 acre St. Paul's campus from the Episcopal Diocese of Long Island, which acquisition was financed by the issuance of municipal bonds, bond anticipation notes and an appropriation from general funds. Approximately 41 of the 48 acres along with Cluett Hall and Feringa Field House are now and will remain in active recreational use by the Village in accordance with the *St. Paul's School Open Space Plan* adopted in 1994. The remaining property, containing approximately 7 acres along with the Main Building and the adjacent Ellis Hall, the two buildings together comprising approximately 107,000 gross square feet excluding basement areas, comprise the subject of this appraisal. The property has not changed ownership since 1993.

DATE OF VIEWING

The property was inspected by Robert Von Ancken and John Brengelman on August 24, 2005.

SCOPE OF WORK

We have utilized a condominium conversion and sellout analysis for the subject property in order to estimate its value under its highest and best use. The basic steps utilized in this analysis are summarized as follows:

1. Conduct a thorough analysis of the market for sales of condominiums to arrive at a potential sales price per square foot for the subject apartments.
2. Estimate a reasonable conversion and sellout period considering construction, marketing, and sales.
3. Estimate the carrying costs for the conversion and sellout period including cost of sales, real estate taxes and operating expenses.
4. Estimate the costs associated with renovating the apartments including legal costs to set up a condominium.
5. Discount the cash flow for the conversion and sellout period to a present value estimate.
6. Prepare a narrative report.

Analysis and consideration was given to the property's location, surrounding uses, and market trends, as well as the overall economic conditions existing and anticipated as of the date of the appraisal. Analysis was conducted regarding zoning and the highest and best use of the subject property. In determining the value by the land residual approach, comparable data regarding construction costs, residential condominium sales, absorption, expenses and investor yield requirements were gathered and analyzed.

DEFINITION OF MARKET VALUE

For market value we use the definition set forth below:

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

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

- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

We further define market value as the amount expressed in U.S. currency which a ready, willing and able buyer should pay to a ready, willing and able seller, both assumed to be of equal competence and experience and acting without coercion or duress in a free market.

Proposed Pricing with Ellis Hall

Unit Data	Units	Total Net S.F.	Average S.F.	Sales Price P.S.F.	Sales Price Per Unit
One Bedroom	23	24,062	1,046	675	706,167
Two Bedroom	44	67,194	1,527	775	1,183,531
Three Bedroom	7	14,539	2,077	850	1,765,450
Four Bedroom	2	5,857	2,929	875	2,562,438
<i>Total / Average</i>	76	111,652	1,469	\$768	\$1,128,950

Proposed Pricing without Ellis Hall

Unit Data	Units	Total Net S.F.	Average S.F.	Sales Price P.S.F.	Sales Price Per Unit
One Bedroom	20	20,801	1,040	675	702,034
Two Bedroom	41	62,994	1,536	775	1,190,740
Three Bedroom	4	8,245	2,061	850	1,752,063
Four Bedroom	2	5,857	2,929	875	2,562,438
<i>Total / Average</i>	67	97,897	1,461	\$766	\$1,119,316

- Though pre-construction sell-out is a possibility, we have projected absorption of 38 units per year for the two years following a 12-month construction period. The feasibility of this project is assured by the immense luxury residential condominium market demand.

DEVELOPMENT ASSUMPTION

- With Ellis Hall converted to condos, project costs total approximately \$85,000,000, assuming \$45,400,000 for renovation of the main building, \$6,700,000 for the conversion of Ellis Hall to condos, \$8,300,000 for the underground parking garage, \$1,900,000 for the pool/fitness center, \$6,700,000 for grounds and exterior, \$400,000 for legal costs of conversion, and \$15,600,000 for other soft costs. Project costs assuming demolition of Ellis Hall total \$79,000,000. These costs have increased by 10% from the November 2006 appraisal.
- Assuming an average current selling price of \$768 per net square foot (inflated to the end of the year for each cash flow period) for 76 apartments and an appreciation rate of 3% per year, revenue would be a loss of (\$11,200,000) (less the cost of operating prior to sell-out, the time value of money, marketing, etc.). Without Ellis Hall, the selling price of \$766 per net square foot for 67 apartments yields revenue loss of about (\$14,000,000).
- With an apartment vacancy rate of essentially zero, there are enough qualified buyers in Garden City and within a 5-mile radius for a quick sell-out.
- Value is negative due to the fact that increases in condominium sale pricing have not kept pace with increases in construction costs. No increase in sale pricing has been processed

since the November 2006 appraisal, while construction costs have increased 10%. In addition, market activity since November 2006 supports only a nominal increase in sale pricing in the future. We have processed a rate of increase similar to a standard inflation rate, or 3% annual increase in sale pricing. This is one-half to one-quarter what was projected in previous appraisal.

The sections of the October 2005 report dealing with History, The Area, Demographic Data, The Economic Base, Assessed Value, Zoning and Highest and Best Use are incorporated into this updated report for reference.

SITE DESCRIPTION

St. Paul's Academy is a 500 room brick edifice and historic landmark in the Village of Garden City, New York. This beautiful building of High Victorian Gothic design, erected in 1883 along with the Cathedral of the Incarnation, Garden City, both as a memorial to the multi-millionaire Alexander Turney Stewart, is currently vacant. It was originally an all-boys college preparatory and science boarding school owned by the Episcopal Diocese of Long Island. Its aim was professed by its headmaster Frederick Luther Gamage to be to "develop manly, Christian character, a strong physique, and the power to think."

The Incorporated Village of Garden City acquired the subject property in 1993. The residents of Garden City are as of yet unable to come up with a viable reuse plan for this gorgeous architectural asset. The AIA Architectural Guide to Nassau and Suffolk Counties describes the building as having "poly-chromatic voussoir arched windows, elaborate cast-iron balustrades, and Dorchester stone trim." The highly elaborate, impressive, and imposing St. Paul's is beloved by many community members and remains structurally sound, although deteriorating due to damage caused by water and animals. The building was selected in 2003 by the Preservation League of New York State as one of its "Seven to Save" endangered properties. On December 16, 2004 the Village Board of the Incorporated Village of Garden City voted to dedicate the 48 acre St Paul's Academy site as Parkland.

The subject of this appraisal comprises the southeasterly corner of the 48-acre former St. Paul's Academy campus. The subject parcel (approximately 7 acres) runs 579 feet northwest from the intersection of Stewart and Rockaway Avenues, then 319 feet west, then 151 feet south, then 87 feet west, then 180 feet south, then 101 feet southwest, then 164 feet south-southwest, and then 706 feet east to the point of beginning (see Site Plan). The Nassau County Assessor's office identifies the site as Section 33, Block 92, Lot 65, or 295 Stewart Avenue.

Existing buildings, formerly utilized by St. Paul's Academy, are sited on or adjacent to the 7-acre parcel. Included are: (1) the Main Academic and Dormitory Building (Main Building); (2) Ellis Hall, a Library-Laboratory Building; (3) Faculty Housing cottages. The Main Building consists of 125,571 square feet of gross building area.

Ellis Hall gross area for three floors is 16,080 SF. The redevelopment anticipates the complete demolition of the enclosed Pedestrian Connection to Cluett Gymnasium and the Garage structure. The proposed layout for the new construction is as follows:



With Ellis Hall

Unit Data	Units	Total Net S.F.	Average S.F.
One Bedroom	23	24,062	1,046
Two Bedroom	44	67,194	1,527
Three Bedroom	7	14,539	2,077
Four Bedroom	<u>2</u>	<u>5,857</u>	<u>2,929</u>
Total / Average	76	111,652	1,469

Without Ellis Hall

Unit Data	Units	Total Net S.F.	Average S.F.
One Bedroom	20	20,801	1,040
Two Bedroom	41	62,994	1,536
Three Bedroom	4	8,245	2,061
Four Bedroom	<u>2</u>	<u>5,857</u>	<u>2,929</u>
Total / Average	67	97,897	1,461



METHOD OF VALUATION

To determine the prospective market value of the fee simple interest in the subject property, consideration was given to the application of each of the three classic approaches to value, namely the sales comparison, income, and cost approaches. In analyzing the applicability of each of the approaches, the nature of the appraisal, the pertinent characteristics of the subject property, and the sufficiency of available data for use in connection with each approach was considered. A discussion of the methodology of each of these approaches is provided below

Sales Comparison Approach

This approach is not used since the object of the report is to determine the feasibility of renovating St. Paul's into a viable apartment building.

The land residual technique is used to provide an indication of value for the subject property as developed to its highest and best use. The value allocated to the land is a residual after providing for costs of construction, typical entrepreneurial incentive, potential rental or sales income and expenses and costs. This technique relies on aspects of the three classical approaches to value.

In this updated appraisal, the land residual technique relies on the discounted cash flow method of valuation. This method is well suited to situations in which future cash flow can be established. The residual land value is equal to the sum of the net proceeds from the sale of condominium units less costs incurred in the construction of the property and sell-out of the condominium portion of the property. The value estimate reflects the current price an investor/developer would reasonably pay in exchange for receiving the anticipated development project's cash flows.

Cost Approach

The cost or summation approach is a method whereby market value is determined based on the sum of a property's vacant land value and the depreciated value of its improvements. In this approach, the property's land is valued as if vacant and the replacement cost of the improvements is estimated. Depreciation for functional, physical curable and physical incurable factors is then deducted from the estimated replacement cost, as is any necessary allowance for economic depreciation. The depreciated value of the improvements is then added to the value of the land as though vacant. This approach has not been used.

In a Reconciliation and Final Value Conclusion, a final updated value estimate is concluded for the subject property after having placed emphasis on the approach producing the most reliable value indication.

The following pages contain the updated valuation of the subject property by the land residual approaches.

LAND RESIDUAL APPROACH

Land residual analysis is based on the profit that can be generated by improving a development site to its highest and best use. The value allocated to the land is a residual after providing for the cost of construction and typical entrepreneurial profit. This technique relies on various aspects of the three classical approaches to value.

The land residual analysis assumes that the subject site will be redeveloped as a residential building with basement parking and storage. In this discounted cash flow land residual, land value is equal to the sum of the net proceeds from the sale of residential condominium units less costs incurred in the construction and rehabilitation of the property and sales and operating costs.

SALES PRICE ANALYSIS

Based on the proposed configuration of the building, we anticipate that most of the units will be sold before construction is complete. However, we have modeled a twelve-month conversion/construction period followed by a two-year sellout period. Given the severe shortage of luxury condominium apartments, we have assumed pricing of from \$675 per square foot for one-bedroom one-bath apartments to \$875 per square foot for four-bedroom three-bath apartments. The average price is \$768 per square foot (\$1,128,950 per unit). This base condo sale price estimate is current as of the date of value. It has been inflated to the end of the year for each of the cash flows in our analysis.

These price estimates remain unchanged from the November 15, 2006 appraisal. Our analysis of recent sales indicates little price appreciation during that time. Nevertheless, we project the current prices will at least increase with the rate of inflation – or 3% per year. We have projected this in our analysis.



RECENT CONDOMINIUM SALES IN GARDEN CITY

RECENT CONDOMINIUM SALES IN GARDEN CITY

Property	Unit No.	BR/B A	Price	Sales Date	Area (SF)	Price Per SF	Seller	Buyer	Liber/ Page	Sec/ Block/ Lot
Wyndham West	119	2/2.5	\$925,000	Apr-06	1,465	\$631.40	R & N Maiale	F. Scatangelo	12106/999	34/65/6
Wyndham West	133	2/2.5	\$900,000	Feb-07	1,516	\$593.67	J. Weinstein	H&G Morriello	12237/161	34/65/6
Wyndham West	404	2/2.5	\$999,000	Jan-07	1,440	\$693.75	J&E Falino	J. McCarthey	12226/537	34/65/6
Wyndham West	418	2/2.5	\$990,000	Sep-06	1,465	\$675.77	J. Ammerman	J&S Garizio	12182/54	34/65/6
Wyndham West	504	2/2.5	\$990,000	May-07	1,440	\$687.50	H. Lebowitz	R. Larkin	12284/394	34/65/6
Wyndham West	520	2/2.5	\$940,000	Mar-06	1,553	\$605.28	R&S Werits	W&H Rosenfeld	12107/582	34/65/6
Wyndham West	706	2/2.5	\$950,000	Dec-07	1,397	\$680.03	K. Sattaur	P. Bader	12355/231	34/65/6
Wyndham West	808	1/1.5	\$654,000	Jun-06	1,120	\$583.93	F&K Briller	J. Klein	12141/404	34/65/6
Wyndham West	907	1/1.5	\$680,000	Mar-06	1,120	\$607.14	Aifo Family Trust	Tomney Family	12106/33	34/65/6
Wyndham West	1071	2/2.5	\$940,000	Mar-06	1,397	\$672.87	R&S Werits	W&H Rosenfeld	12107/582	34/65/6
Wyndham East	315	1/1.5	\$855,000	Mar-06	1,187	\$720.30	J&M Trapani	J&H Schoffelen	12091/680	34/65/7
Wyndham East	323	3/3	\$1,900,000	Jun-07	2,241	\$847.84	J. Sullivan	C. Bardakian	12284/242	34/65/7
Wyndham East	303	1/1.5	\$720,000	May-07	1,130	\$637.17	A. Walsh	J&B Alesi	12275/255	34/65/7
Wyndham East	421	3/3	\$2,000,000	Jan-07	2,113	\$946.52	R&M Dillmeier	R. McGlynn	12222/850	34/65/7
Wyndham East	512	1/1.5	\$710,000	May-07	1,130	\$628.32	C. Caccibaudo	M. Kikel	12282/322	34/65/7
Wyndham East	513	3/3	\$1,720,000	Aug-07	2,241	\$767.51	M. Leitner	T. Quadrozzi	12303/171	34/65/7
111 Seventh St		1/1	\$400,000	Feb-08	561	\$713.01				34/70/6
111 Seventh St	301	1/1	\$391,560	Oct-07	650	\$602.40	Thomas & Pamela Cortese	111 Seventh LLC	12335/362	34/70/6
111 Seventh St		1/1	\$425,000	Oct-07	612	\$694.44	David Mo	111 Seventh LLC	12335/967	34/70/6
111 Seventh St		1/1	\$465,000	Jun-07	612	\$759.80	Vickie Efstathiou	Hampshire House	12302/373	34/70/6
222 Seventh St	3E	0/1	\$350,000	1Q08	500	\$700.00				34/91/124

Min \$583.93
 Max \$946.52
 Average \$688.03

Sales information confirmed by Wyndham Sales Associate.

St. Paul's Academy Conversion (with Ellis Hall)

Updated April 7, 2008

Assumptions

Unit Data	Units	Total Net S.F.	Average S.F.	Sales Price P.S.F.	Sales Price Per Unit
One Bedroom	23	24,062	1,046	675	706,167
Two Bedroom	44	67,194	1,527	775	1,183,531
Three Bedroom	7	14,539	2,077	850	1,765,450
Four Bedroom	<u>2</u>	<u>5,857</u>	<u>2,929</u>	<u>875</u>	<u>2,562,438</u>
Total / Average	76	111,652	1,469	\$768	\$1,128,950

Avg. Sellout Period For Units:	24 months	
Comm. & Mktg. Exp. For Residential Units:	5.00% of sales	
NYS Transfer Tax For Residential Units:	1.425% of sales	
Operating Expenses During Sellout (2005)	\$3.00	
Real Estate Taxes During Sellout (2005)	\$0.00	
Total Salable Residential square footage	111,652 Net	78.8% Efficiency
Gross Square Footage	141,651 Gross	
Discount Rate for Condo	12.0%	

Legal Cost for Conversion	\$400,000
Grounds and Exterior	\$6,708,900 (\$5.7M + 7%)

Construction Costs	11/05 Valuation	11/06 Valuation	4/08 Valuation
Residential Building	\$38,569,900	\$41,269,793	\$45,396,772
Parking Garage	\$7,058,100	\$7,552,167	\$8,307,384
Pool & Fitness Center	\$1,580,000	\$1,690,600	\$1,859,660
Ellis Hall Conversion	<u>\$5,661,785</u>	<u>\$6,058,110</u>	<u>\$6,663,921</u>
Construction Costs Subtotal	\$52,869,785	\$56,570,670	\$62,227,737
plus other soft costs at 25% of total	<u>\$13,217,446</u>	<u>\$14,142,668</u>	<u>\$15,556,934</u>
Total	\$66,087,231	\$70,713,338	\$77,784,671
Cost per GBA	\$466.55	\$499.21	\$549.13

Period	2008/09	2009/10	2010/11
General Inflation Growth Rate:	3.0%	3.0%	3.0%
Condominium Sales Price Growth Rate	3.0%	3.0%	3.0%
Average Sales Price	\$792	\$815	\$840

Projected Cash Flows	2008/09	2009/10	2010/11
Proceeds From Sale of Residential Units	\$0	\$45,512,729	\$46,878,111
Less Sales Comm./Mktg. & Transfer Taxes	<u>\$0</u>	<u>(\$2,924,193)</u>	<u>(\$3,011,919)</u>
Net Proceeds From Sale of Residential Units	\$0	\$42,588,536	\$43,866,193
Less Operating Expenses Carried	\$345,005	\$177,677	\$183,008
Less Real Estate Taxes Carried	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Expenses	\$345,005	\$177,677	\$183,008
Cash Flow From Sale of Residential Units	(\$345,005)	\$42,410,859	\$43,683,185
Less: Legal Cost for Conversion	\$400,000	\$0	\$0
Less: Grounds and Exterior	\$6,708,900	\$0	\$0
Less: Construction Costs	<u>\$77,784,671</u>	<u>\$0</u>	<u>\$0</u>
Total Conversion Cost	\$84,893,571	\$0	\$0
Net Cash Flow From Sale of Residential Units	(\$85,238,576)	\$42,410,859	\$43,683,185
Net Present Value of Condo Sell-Out	(\$11,200,000) Rounded		
Value per Net Square Foot	(\$100.31)		

St. Paul's Academy Conversion (without Ellis Hall)

Updated April 7, 2008

Assumptions

Unit Data	Units	Total Net S.F.	Average S.F.	Sales Price P.S.F.	Sales Price Per Unit
One Bedroom	20	20,801	1,040	675	702,034
Two Bedroom	41	62,994	1,536	775	1,190,740
Three Bedroom	4	8,245	2,061	850	1,752,063
Four Bedroom	<u>2</u>	<u>5,857</u>	<u>2,929</u>	<u>875</u>	<u>2,562,438</u>
Total / Average	67	97,897	1,461	\$766	\$1,119,316

Avg. Sellout Period For Units:	24 months
Comm. & Mktg. Exp. For Residential Units:	5.00% of sales
NYS Transfer Tax For Residential Units:	1.425% of sales
Operating Expenses During Sellout (2005)	\$3.00
Real Estate Taxes During Sellout (2005)	\$0.00
Total Rentable Residential square footage	97,897 Net
Gross Square Footage	125,571 Gross
Discount Rate for Condo	12.0%
	78.0% Efficiency

Legal Cost for Conversion	\$400,000
Grounds and Exterior	\$6,708,900 (\$5.7M + 7%)

Construction Costs	11/05 Valuation	11/06 Valuation	4/08 Valuation
Residential Building	\$38,569,900	\$41,269,793	\$45,396,772
Parking Garage	\$7,058,100	\$7,552,167	\$8,307,384
Pool & Fitness Center	\$1,580,000	\$1,690,600	\$1,859,660
Ellis Hall Demolition	<u>\$1,617,378</u>	<u>\$1,730,954</u>	<u>\$1,903,654</u>
Construction Costs Subtotal	\$48,825,378	\$52,243,514	\$57,467,470
plus other soft costs at 25% of total	<u>\$12,206,345</u>	<u>\$13,060,879</u>	<u>\$14,366,867</u>
Total	\$61,031,723	\$65,304,393	\$71,834,337
Cost per GBA	\$486.03	\$520.06	\$572.06

Period	2008/09	2009/10	2010/11
General Inflation Growth Rate:	3.0%	3.0%	3.0%
Condominium Sales Price Growth Rate	3.0%	3.0%	3.0%
Average Sales Price	\$789	\$813	\$837

Projected Cash Flows	2008/09	2009/10	2010/11
Proceeds From Sale of Residential Units	\$0	\$39,780,647	\$40,974,066
Less Sales Comm./Mktg. & Transfer Taxes	\$0	<u>(\$2,555,907)</u>	<u>(\$2,632,584)</u>
Net Proceeds From Sale of Residential Units	\$0	\$37,224,740	\$38,341,482
Less Operating Expenses Carried	\$302,502	\$155,788	\$160,462
Less Real Estate Taxes Carried	\$0	\$0	\$0
Total Expenses	\$302,502	\$155,788	\$160,462
Cash Flow From Sale of Residential Units	(\$302,502)	\$37,068,952	\$38,181,020
Less: Legal Cost for Conversion	\$400,000	\$0	\$0
Less: Grounds and Exterior	\$6,708,900	\$0	\$0
Less: Construction Costs	\$71,834,337	\$0	\$0
Total Conversion Cost	\$78,943,237	\$0	\$0
Net Cash Flow From Sale of Residential Units	(\$79,245,739)	\$37,068,952	\$38,181,020
Net Present Value of Condo Sell-Out	(\$14,000,000) Rounded		
Value per Net Square Foot	(\$143.01)		

EXPENSES

Cost of sales includes commissions at 5.0% of sales price and New York State transfer tax at 1.425% of sales price.

Operating expenses will be incurred during conversion and sellout at the rate of \$3.00 per square foot. Since the Village owns the property, the real estate tax expense is assumed to be zero until the individual condominium units are sold, at which point both the taxes and operating expenses will be paid by the new owners.

CONVERSION COSTS

The subject property was completed in 1883 and is presently configured for a boarding school. Our estimate of conversion costs is approximately \$550 per gross square foot of building area with Ellis Hall and \$572 per gross square foot of building area without Ellis Hall. Additional costs include legal costs for conversion and alterations to the grounds and exterior of the site.

CASH FLOW

Cash flow is negative for the conversion year (2008/2009). Cash flow in 2009/2010 and 2010/2011 is positive. A summary of all assumptions as well as the cash flow calculations are contained in the table located on the previous two pages.

RATE SELECTION AND VALUE CONCLUSION

The final step in the valuation of the cash flow resulting from the sellout of condominium units is the selection of the discount rate. The discount rate is the measure of the rate of investment return, which may be expected by an investor. The discount rate consists of three components, which are 1) a real rate of return, 1) compensation for expected inflation, and 3) compensation for investment risk.

In estimating a discount rate to apply to the annual cash flows, the most significant consideration is the internal rate of return sought by an investor in real estate. We have referred to published surveys, actual transactions and current listings to arrive at an estimated discount rate. In selecting the appropriate discount rate we have considered Garden City's strong condominium market, the subject property's excellent location, the limited risk involved in building luxury condominiums of this type and the lower rates of return for real estate that have occurred over the last year. We have used a discount rate of 12% as the subject property could be delivered vacant and residentially configured to an investor.

RECONCILIATION AND FINAL VALUE CONCLUSION

In determining the prospective market value of the fee simple interest in the subject building and underlying land as of April 7, 2008, the land residual approach was the basis for market value determination.

Land Residual Approach:	
With Ellis Hall	(11,200,000) (LOSS)
Without Ellis Hall	(14,000,000) (LOSS)

In this appraisal, an indication of the subject's value is provided using the discounted cash flow method of the land residual technique based on two specific development scenarios. The value estimates reflect the price an investor would pay for the subject land and improvements in exchange for receiving the anticipated development project's cash flows. This approach provides a credible estimate of market value to an investor seeking set returns on capital.

After careful research and analysis of all available information, the market value of the fee simple interest in the land and building known as St. Paul's Academy, including the 7-acre +/- site and Ellis Hall but excluding the 41 acres of playing fields, Cluett Hall, and the Feringa Field House, as of April 7, 2008 was:

NEGATIVE - ELEVEN MILLION TWO HUNDRED THOUSAND DOLLARS
(\$11,200,000)

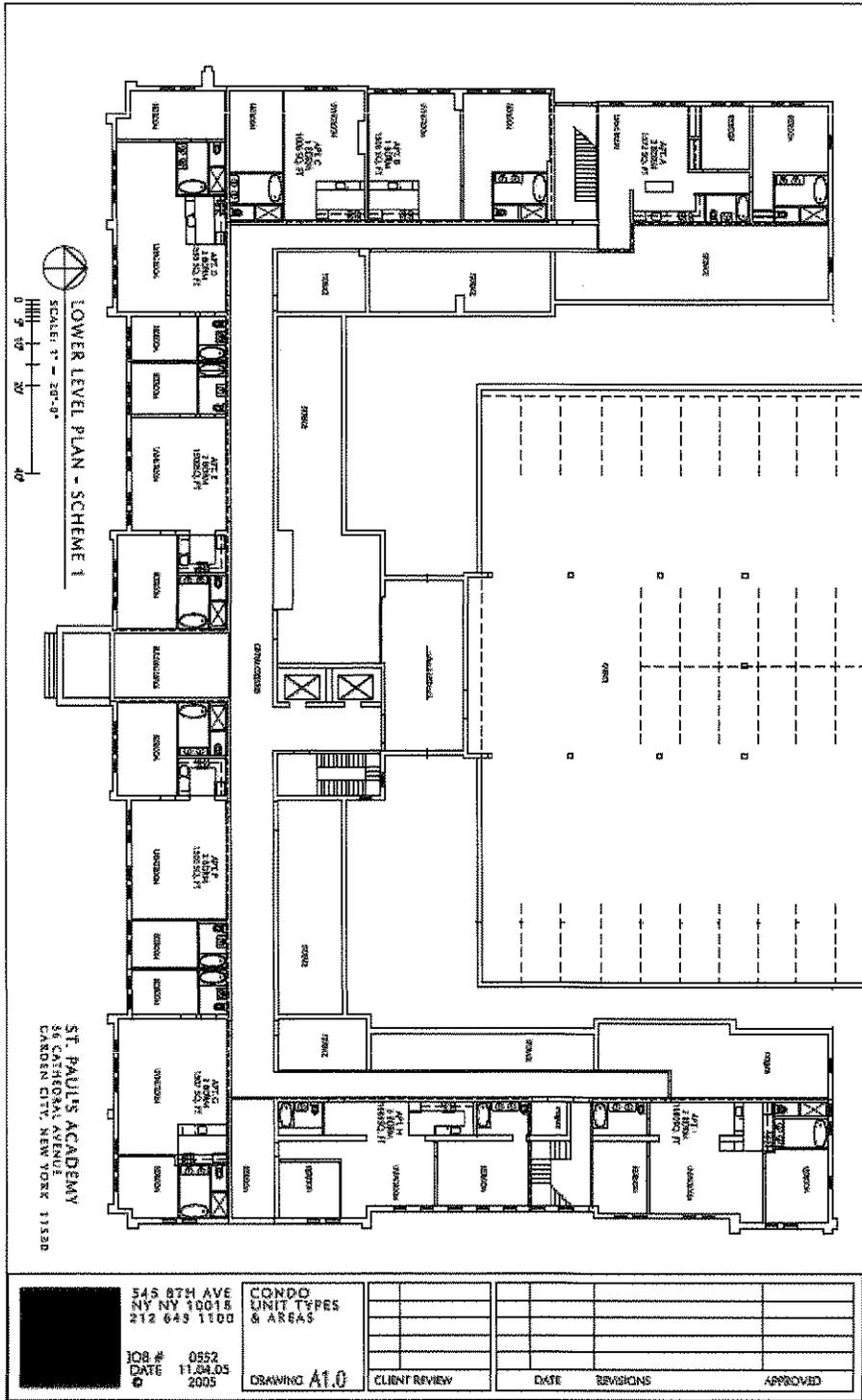
The market value of the fee simple interest in the land and building known as St. Paul's Academy, including the 7-acre +/- site but assuming Ellis Hall is demolished and excluding the 41 acres of playing fields, Cluett Hall, and the Feringa Field House, as of April 7, 2008 was:

NEGATIVE – FOURTEEN MILLION DOLLARS
(\$14,000,000)

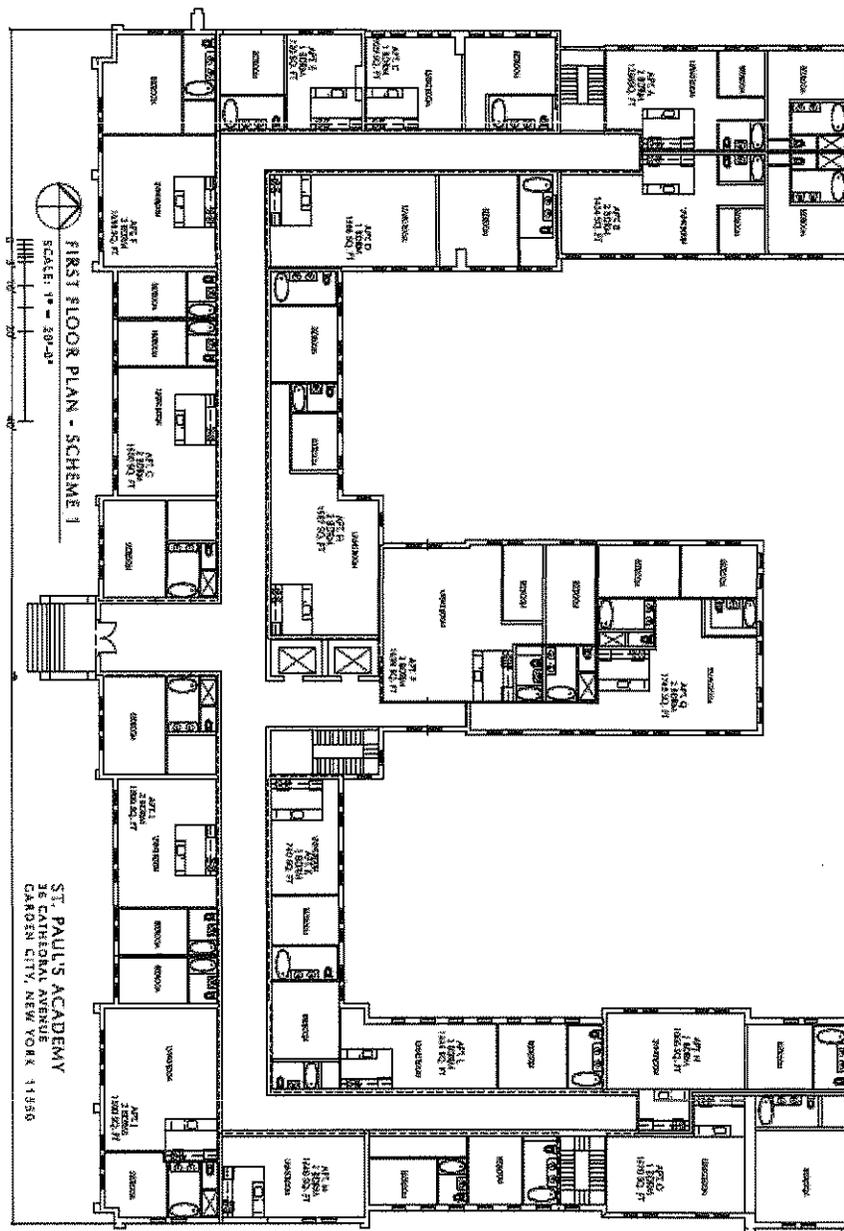


ADDENDA

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MAIN BUILDING PLAN, LOWER LEVEL

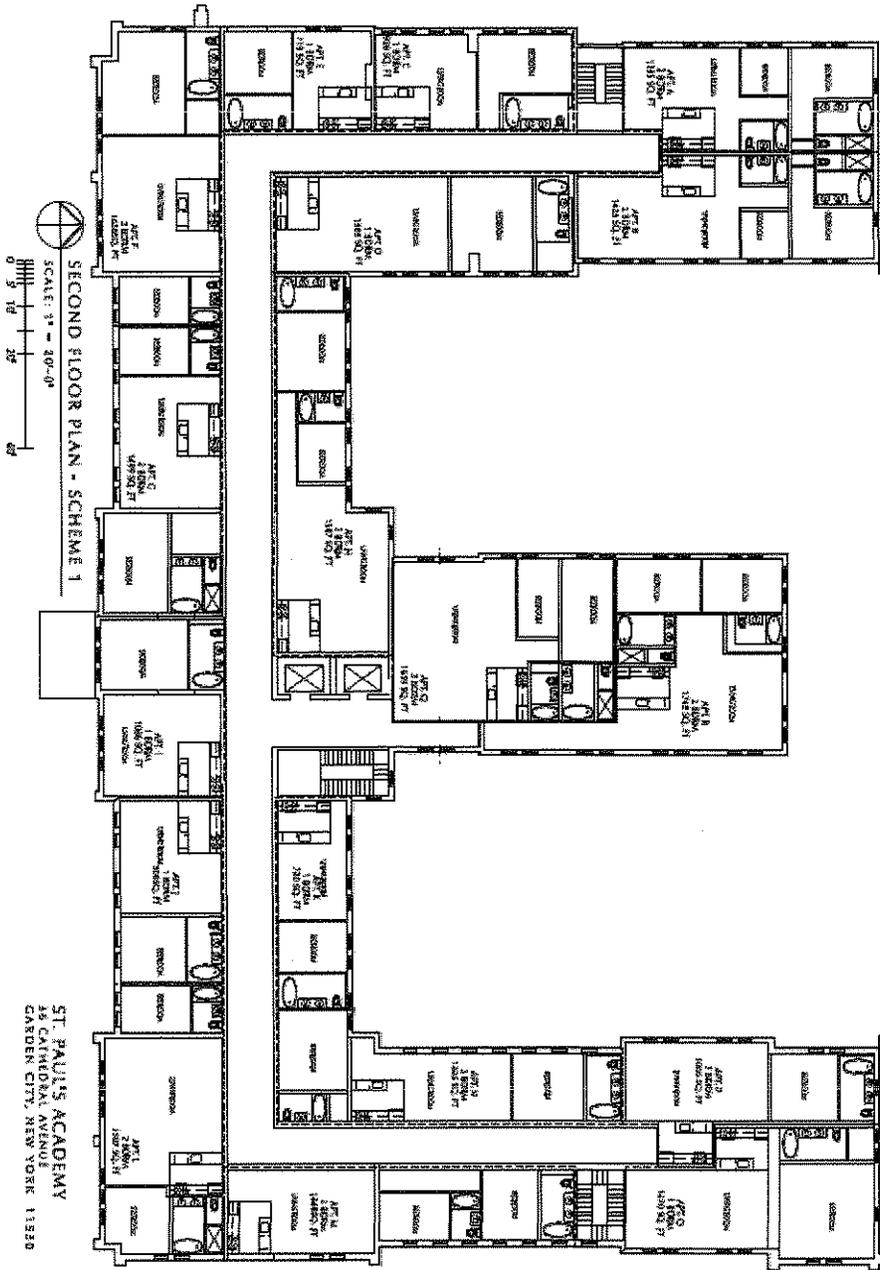


FIRST FLOOR PLAN - SCHEME 1
SCALE: 1" = 30'-0"

ST. PAUL'S ACADEMY
36 CATHEDRAL AVENUE
GARDEN CITY, NEW YORK 11530

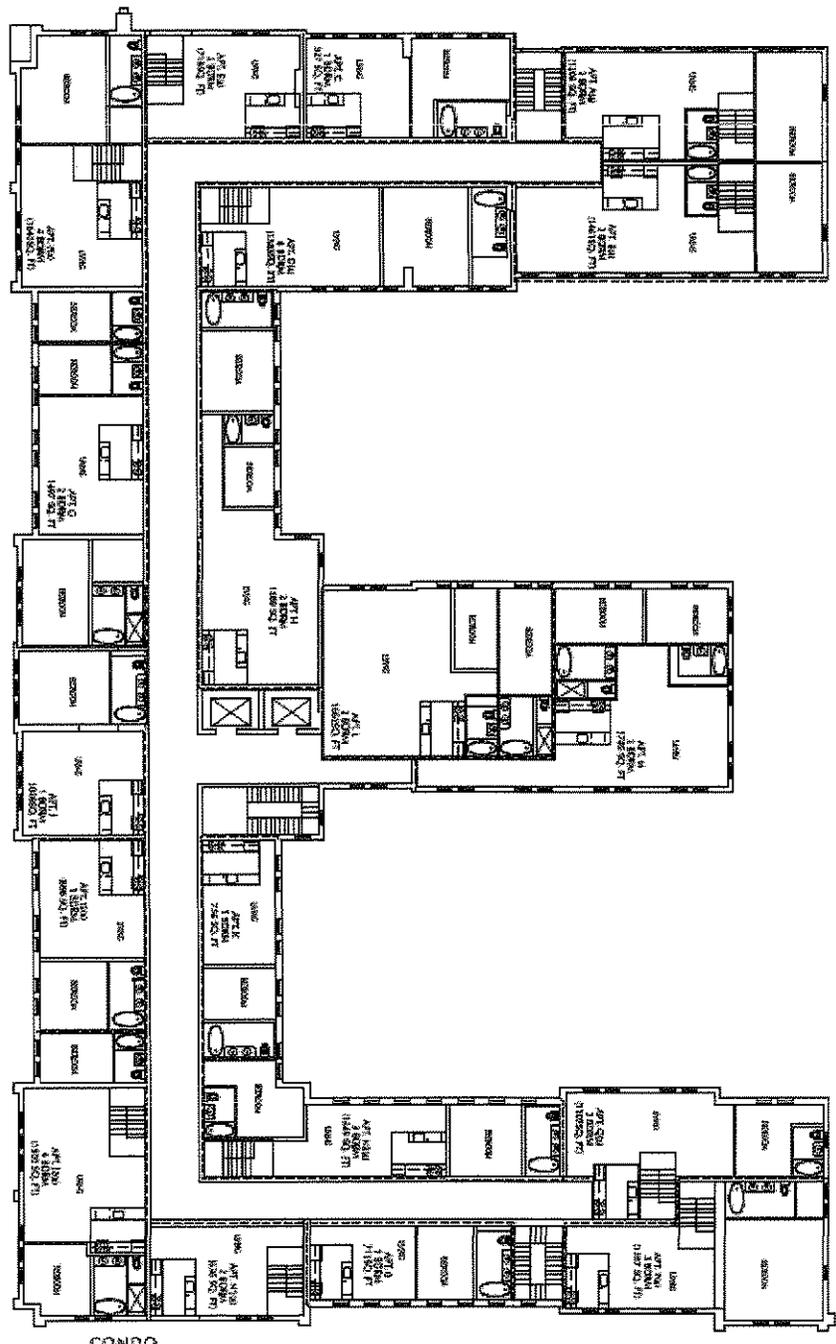
<p>545 8TH AVE NY NY 10018 212 643 1100</p>	<p>CONDO UNIT TYPES & AREAS</p>									
		<p>JOB # 0852 DATE 11.04.05 © 2005</p>	<p>DRAWING A1.1</p>	<table border="1"> <tr><td>CLIENT REVIEW</td><td>DATE</td><td>REVISIONS</td><td>APPROVED</td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> </table>	CLIENT REVIEW	DATE	REVISIONS	APPROVED		
CLIENT REVIEW	DATE	REVISIONS	APPROVED							

MAIN BUILDING PLAN, FLOOR 1



<p>545 8TH AVE NY NY 10018 212 643 1100</p>	<p>CONDO UNIT TYPES & AREAS</p>				
	<p>JOB # 0852 DATE 11.04.05 2005</p>	<p>DRAWING A1.2</p>	<p>CLIENT REVIEW</p>	<p>DATE</p>	<p>REVISIONS</p>

MAIN BUILDING PLAN, FLOOR 2

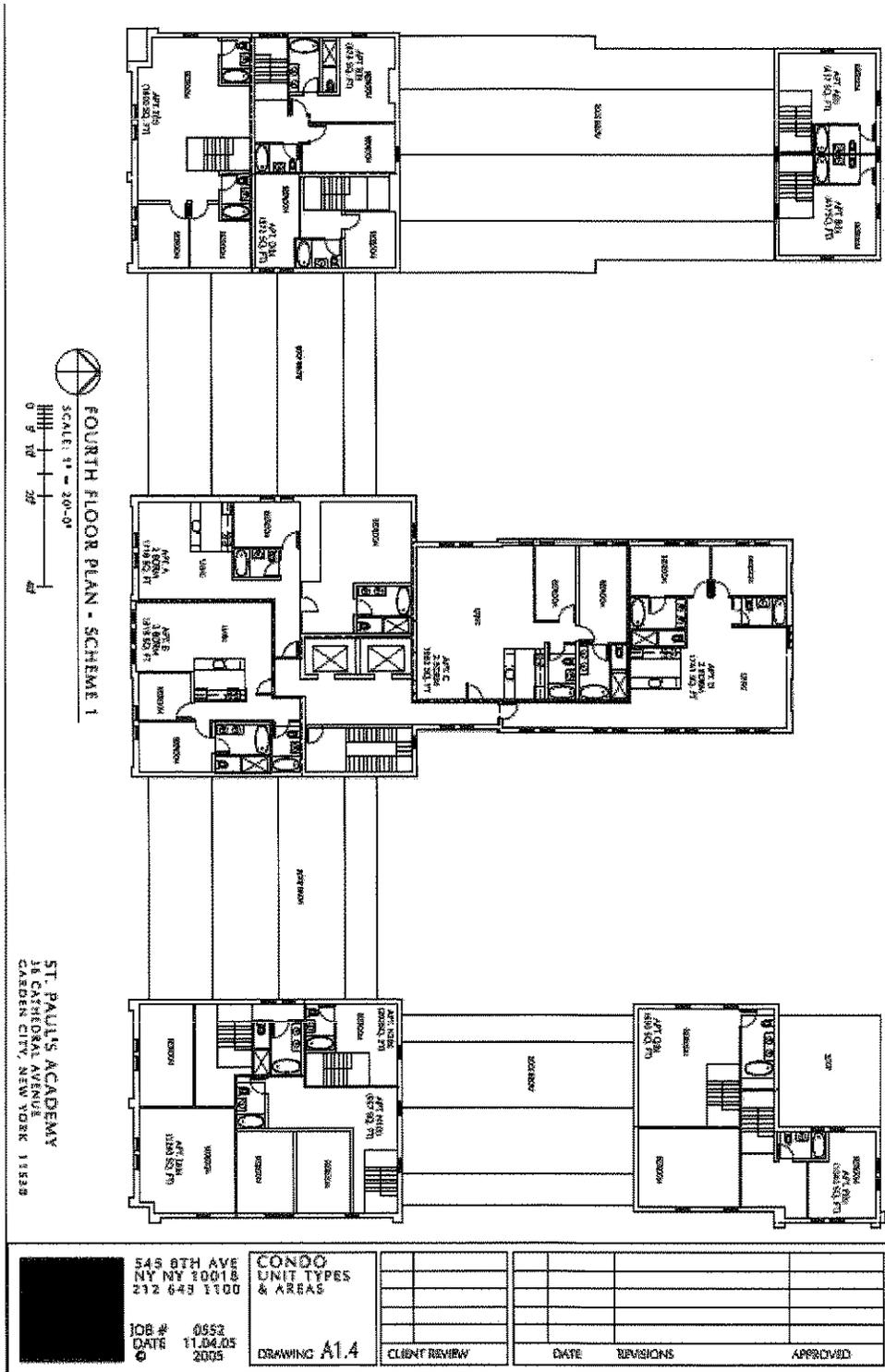



 THIRD FLOOR PLAN - SCHEME 1
 SCALE: 1" = 20'-0"


ST. PAUL'S ACADEMY
 35 CATHEDRAL AVENUE
 GARDEN CITY, NEW YORK 11530

545 8TH AVE NY NY 10018 212 643 1100	UNIT TYPES & AREAS	CLIENT REVIEW		DATE		REVISIONS		APPROVED	
		DRAWING A1.3							

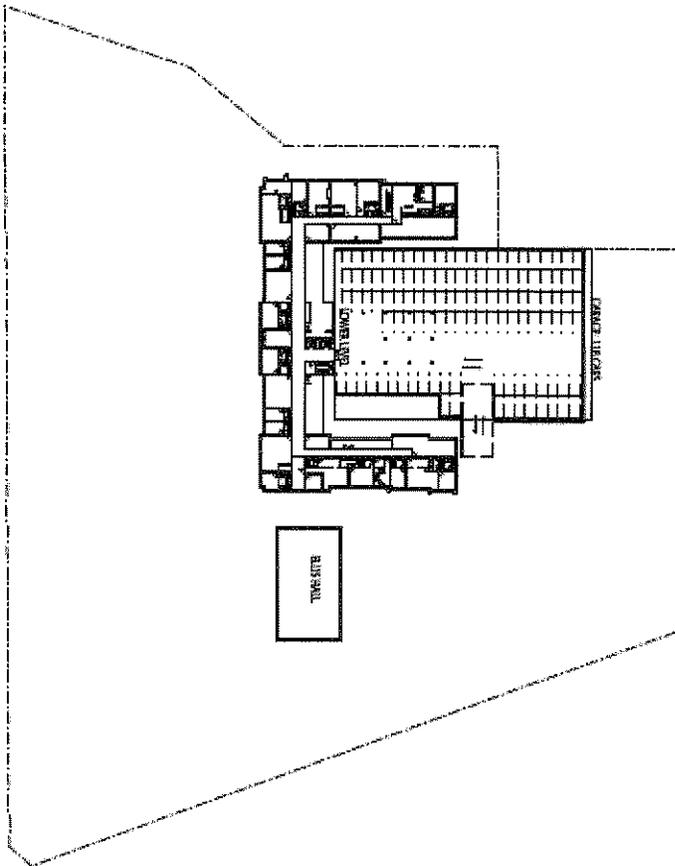
MAIN BUILDING PLAN, FLOOR 3



MAIN BUILDING PLAN, FLOOR 4



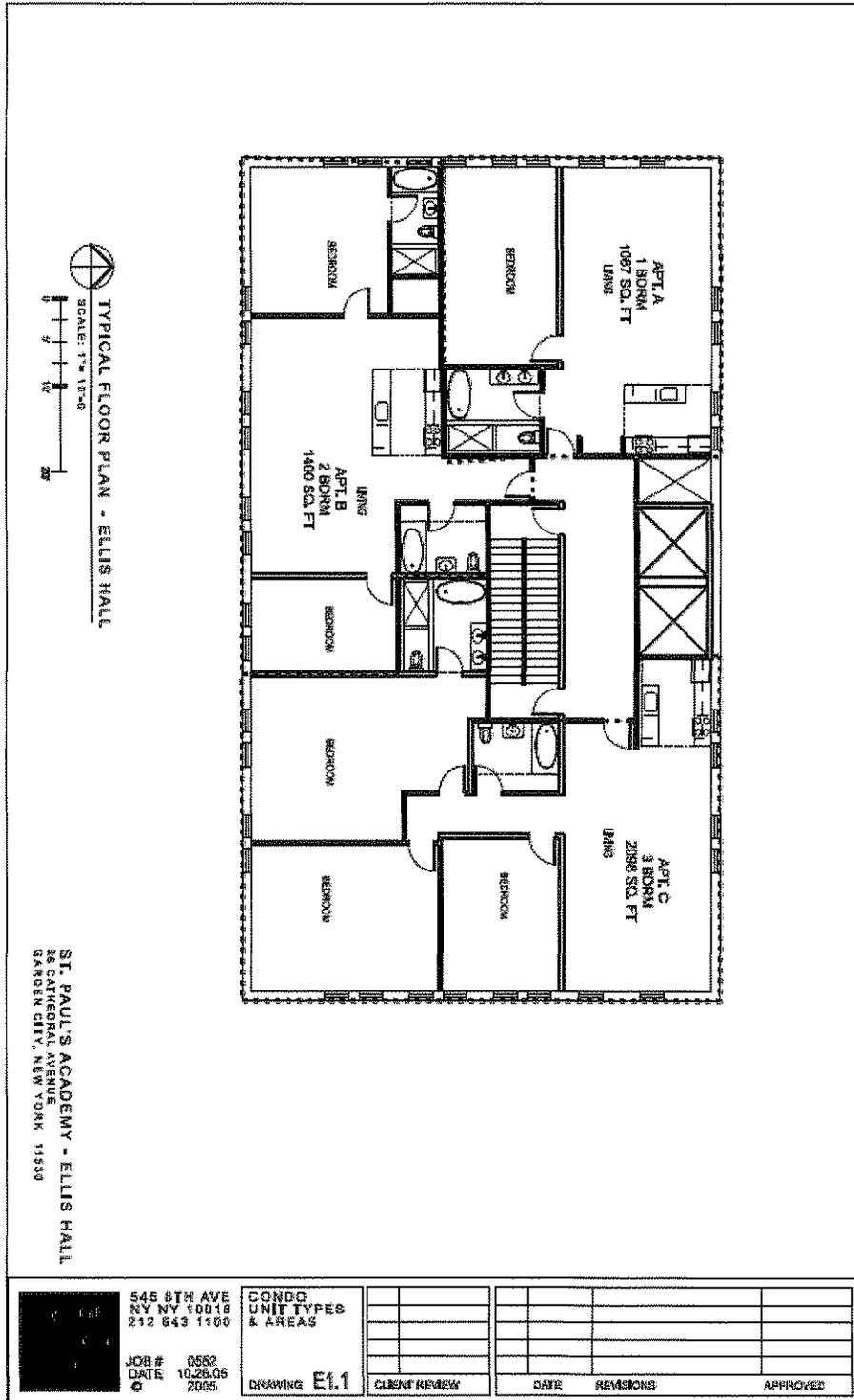
SITE PLAN - GARAGE LEVEL - SCHEME 1
NOT TO SCALE



ST. PAUL'S ACADEMY
36 CATHEDRAL AVENUE
GARDEN CITY, NEW YORK 11530

	545 8TH AVE NY NY 10018 212 643 1100	CONDO UNIT TYPES & AREAS				
	JOB # 0952 DATE 11.04.05 © 2005		DRAWING S1.1	CLIENT REVIEW	DATE	REVISIONS

GARAGE PLAN



ELLIS HALL, TYPICAL FLOOR PLAN



111 CHERRY VALLEY AVENUE AND 100 HILTON AVENUE CONDOMINIUM

111 Cherry Valley Avenue, 100 Hilton Avenue

Wyndham West, Wyndham East

Built in 1988 and 1989 and in excellent condition

Village Section/Block/Lot: Central/D-52/1-2

County Section/Block/Lot: 34/65/6-7

9-story concrete

301 units plus minimal retail

Units run from 1,500 square feet to 2,545 square feet, averaging 2,100 square feet

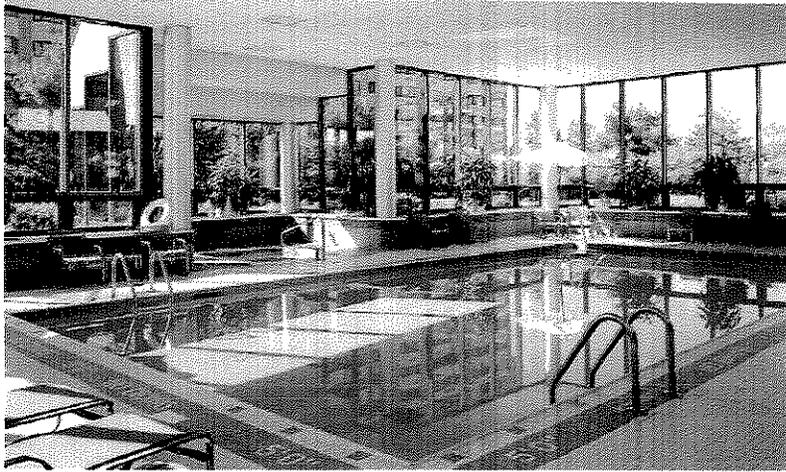
Lot size is an irregular shape approximately 1,000 feet by 621 feet, 552,617 square feet, or 12.686 acres

Basement is used for storage and parking (1 space per unit).

Retail space is minimal.

Managed by The Wyndham, Abby Winston leasing, 516-739-7171

Excellent common areas including a pond, a pool, an outdoor patio area, and a fitness center



WYNDHAM POOL AREA



WYNDHAM AERIAL



CERTIFICATE OF APPRAISAL

Re: St. Paul's Academy

I certify that, to the best of my knowledge and belief:

The statements of fact contained in this report are true and correct.

The reported analyses, opinions, and conclusions are limited only to the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

I have no present or prospective interest in the property that is the subject of his report, and I have no personal interest with respect to the parties involved.

I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

My engagement in this assignment was not contingent upon developing or reporting predetermined results.

My 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.

In the preparation of this appraisal report others assisted in the gathering of information, comparable sales, visual inspection of the property, etc. However, no one other the undersigned prepared the analyses, conclusions and opinions concerning the value of the real estate set forth in this appraisal report.

As of the date of this report, Robert Von Ancken has completed the continuing education program of the Appraisal Institute.

DATE: April 7, 2008

Robert Von Ancken, MAI, CRE
Executive Managing Director
NYS Certification #46-1797

BASIC ASSUMPTIONS AND LIMITING CONDITIONS

The appraisers assume:

1. This is a Self Contained Appraisal Report which is intended to comply with the reporting requirements set forth under the Uniform Standards of Professional Appraisal Practice.
2. Supporting documentation concerning some of the data, reasoning, and analyses is retained in the appraisal file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.
3. The legal descriptions used in this report are assumed to be correct.
4. No survey of the property has been made by the appraiser and no responsibility is assumed in connection with such matters. Sketches in this report are included only to assist the reader in visualizing the property.
5. No responsibility is assumed for matters of a legal nature affecting title to the property nor is an opinion of title rendered. The title is assumed to be good and marketable.
6. Information furnished by others is assumed to be true, correct and reliable. A reasonable effort has been made to verify such information; however, no responsibility for its accuracy is assumed by the appraiser.
7. All mortgages, liens, encumbrances, leases and servitude have been disregarded unless so specified within the report. The property is appraised as though under responsible ownership and competent management.
8. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover such factors.
9. It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless non-compliance is stated, defined and considered in the appraisal report.
10. It is assumed that all applicable zoning, use and building code regulations and restrictions have been complied with, unless a non-conformity has been stated, defined and considered in the appraisal report.
11. It is assumed that the utilization of the land and improvements is within the boundaries of property lines of the property described and there is no encroachment or trespass unless noted within the report.

12. The appraiser is not an engineer. No engineering survey of the improvements described herein has been made, or made available. Any comments by the appraiser as to the general condition of the improvements or the condition of any of the building components are opinions based on the appraiser's real estate market experience and are not intended to be relied upon in lieu of a complete engineering study.
13. We assume there is no material amount of asbestos in the building, nor does the report take into consideration the possibility of the existence of radon gas, PCP transformers, or other toxic, hazardous, or contaminated substances and/or underground storage tanks containing hazardous material. The report does not consider the cost of encapsulation treatment of removal of such materials. We take no responsibility for identifying the level of contaminants such as these or any others, if any are indeed found. We are not qualified to detect toxins or estimate any cost of removal or other treatment. If the client/property owner has a concern about the existence of such hazardous conditions, the appraisers consider it imperative to retain the services of a qualified engineer or contractor to determine the existence and extent of such hazardous conditions. Such consultation should include the estimated cost associated with any required treatment or removal of hazardous material.
14. The Americans with Disabilities Act (ADA) became effective on January 26, 1992. The appraiser has not made a specific compliance survey and analysis of this property to determine whether or not is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is in non-compliance with one or more of the requirements of the act. If so, this fact could have a negative impact upon the value of the property. Since the appraiser has no direct evidence relating to this issue, possible non-compliance with the requirements of the ADA has not been considered in estimating the value of the property.
15. The projections of income and expenses are not predictions of the future. Rather, they are the appraiser's best estimates of current market thinking on future income and expenses. The appraiser makes no warranty or representation that these projections 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 appraisal, envisions for the future in terms of rental rates, expenses, supply and demand.

The following Limiting Conditions are submitted with this report:

1. All of the facts, conclusions and observations contained herein are consistent with information available as of the date of the report. The value of real estate is affected by many related and unrelated economic conditions, local and national. We, therefore, assume no liability for any unforeseen changes in the economy.

2. The appraiser will not be required to give testimony or appear in court because of having made this appraisal, with reference to the property in question, unless arrangements have been previously made therefore.
3. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event, only with proper written qualification and only in its entirety.
4. The distribution of the total valuation in this report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.
5. The value estimated herein applies only to the appraisal problem as stated, the value definition, the reported highest and best use, client and/or legal instruction, interest appraised, or other special conditions more fully described in the body of the report.
6. Disclosure of the contents of this report is governed by the Bylaws and Regulations of the Appraisal Institute. Neither all nor any part of the contents of this report, or copy thereof, shall be conveyed to the public through advertising, public relations, news, sales, or any other media without written consent and approval of the appraiser. Nor shall the appraiser, firm, or professional organization of which the appraiser is a member be identified without consent of the appraiser.
7. The appraisers have no present or contemplated interest in the property appraised.
8. Employment in this appraisal and compensation for the report is in no way contingent on the matter involved.
9. This appraisal has been made in conformity to the Standards of Practice of the Appraisal Institute, and represents the best judgment of the appraisers.
10. No responsibility is taken for changes in market conditions after the date of valuation or for the inability of the property owner to find a purchaser at the appraised value.
11. Further, we have not been engaged to evaluate the effectiveness of management, and we are not responsible for future marketing efforts and other management actions upon which actual results will depend.
13. The appraiser has not, as part of its valuation, performed an audit or review of any of the financial information used and, therefore, does not express an opinion or any other form of assurance with regard to same. Under the terms of this engagement, we have no obligations to revise this report or the financial result to reflect events or conditions which occur subsequent to the date of the report.
14. Acceptance and/or use of this appraisal report by the client and/or any third party constitutes acceptance of the stated limiting conditions and assumptions. The



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appraisers' and/or reviewers' responsibility and liability extends only to the stated client, not to subsequent parties or users, and is limited to the amount of the fee received by the appraisers in conjunction with performance of this appraisal and related consulting and/or court preparation, deposition, and testimony.

**QUALIFICATIONS OF
ROBERT VON ANCKEN, MAI, CRE
Executive Managing Director**

EDUCATIONAL BACKGROUND

- City College School of Business & Public Administration
Bachelor of Business Administration
- Graduate Division of City College Business School,
Specialization in real estate.
- The Appraisal Institute of Real Estate Appraisers
(formerly American Institute of Real Estate Appraisers),
Courses I, II, IV, and VI on appraisal problems, condemnation and capitalization.

PROFESSIONAL TEACHING EXPERIENCE

- Lectures sponsored by the Appraisal Institute, The Society of Real Estate Appraisers,
The American Society of Appraisers.

Seminars for New York County Bar Association.

New York State Judicial Seminar: *Expert Testimony*

The American Bankers Association:
Appraisals for the Resolution Trust Corporation

The EMF Regulation and Litigation Institute (1995):
Perspectives of the Plaintiff's Bar

National Realty Committee - Roundtable (1996):
Environmental Laws and Property Valuation

- Assistant Professor, Graduate Program of Valuation, New York University.

PUBLICATIONS

How to Appraise Office Buildings
Encyclopedia of Real Estate Appraising, (1978).

COURT APPEARANCES

Testified as expert witness in the Supreme Court of the State of New York in New York City and Nassau County, the Court of Claims for the State of New York, Federal Tax Courts (Southern Section), The Orphan Court-Commonwealth of Pennsylvania, Superior Court in New Jersey and Connecticut, courts in Virginia plus other courts, commissions and hearings.

PROFESSIONAL AFFILIATIONS

- The Real Estate Board of New York,
Former Member of the Board of Governors; currently Chairman of Appraisal Committee
- The Appraisal Institute - MAI (1972),
President (1987) New York Metropolitan District Chapter #4
- American Society of Real Estate Counselors - CRE (1981)
- Society of Real Estate Appraisers - SREA (1969)
(Senior Real Estate Analyst)
- American Arbitration Association.
- American Right of Way Association (Senior Member).
- National Association of Realtors, (Appraiser Member).
- New York State Society of Real Estate Appraisers
- International Real Estate Federation
- Urban Land Institute

OVERALL EXPERIENCE

Appraiser, consultant, expert witness, licensed real estate broker. Manager and owner of commercial and residential property.

Prepared appraisal and market studies for mortgage, income tax, estate, acquisition, sales, urban renewal and corporate purposes.

Clients include:

Banco Popular; Bank Leumi; Bank of Boston; Bank of Tokai; Bowery Savings Bank; Bronx Savings Bank; CBS/Westinghouse; Capital Cities/ABC, Inc.; Chase Manhattan Bank, N.A.; Chemical Bank & Trust Company; Citibank; Citicorp Real Estate; Community Savings Bank; Dai-Ichi Kangyo Bank; The Disney Company; Dollar Dry Dock Commercial; East New York Savings Bank; East River Savings Bank; Eastern Savings Bank - New York Urban League; Eastern National Bank; Empire of America; Federal Savings Bank; European American Bank; Federal Deposit Insurance Corporation; Fiduciary Trust Company; FinansSkandic; First Bank of Chicago; First Federal Savings & Loan Association; Flushing Savings Bank; Franklin Society Savings & Loan; Greater New York Savings Bank; Hong Kong & Shanghai Banking Corporation; Irving Trust Company; ITT: New York City Employees Retirement; Manufacturers Hanover Trust Company; Marine Midland; Mortgage Trust of America; National Bank of North America; New York State Employees Retirement Fund; New York State Teachers' Insurance Annuity Association; New York Bank of Savings; North Side Savings Bank; Orange Savings Bank of New Jersey; Queens County Savings Bank; Savings Bank of Rockland County; Sumitomo Realty & Development; Swiss Kredietbank; The Bank of East Asia, Ltd.; The Troy Savings Bank; The Bank of New York; UnionAmerica Mortgage & Equity Trust.

U. S. Trust; Bradford Trust Co.; The Gulf Oil Co.; RKO Stanley Warner Theatre Corp.; National Academy of the Arts; Federal Department Stores, Inc.; The New York Times; Texaco; Exxon; American Refining Corp.; Dairy Lea Cooperative Inc.; Fortunoff's; Hooker Chemical & Plastics; The Trump Organization; Sheltering Arms Children's Services; The Hertz Corporation; McDonald's; Pace University; Columbia University; Ogden Development Corp.; Glen Alden Corp.; International Terminal Operating Co., Inc.; Anheuser Busch Brewery; Rockrose Associates; Chicago Pneumatic Tool Company, New York University; Calhoun School; Arlen Realty & Development Corp.; Sylvan Lawrence, Inc.; Cohen Brothers Co.; Teco Properties; Silverstein & Partners; Muss Tankoos Corp.; Tishman Realty Construction Corp.; Peat, Marwick, Mitchell & Co.; The Rockefeller Foundation; UNICEF; Home Equity Inc.; T.I. Home Transfer Service; Relocation Associates; Bide-A-Wee Association; The Allen Group; Howard Johnson's; Gimbel's; Saks Fifth Avenue; The Trump Organization; Nissho Iwai; American Corp.; and U. S. Postal Services. Rothschild Reserve International Inc.; Securities Group; Broadway Management; Board of Church & Society; United Methodist Church; Harley Davidson, McCrory Corp.; N.A. Phillips Corp.; New Jersey Natural Gas; Columbus Lines, Inc.; EMES Management Corp.; Harper & Row Publishers; Farberware; ASEA, Inc.; Tribune Co.; and U. S. Railway Association.

The City of New York Arterial Highways; The Board of Education of the City of New York; The Housing Authority of the City of New York; The Housing & Urban Development Association of the City of New York; New York City's Landmark Preservation Commission; The New York State Department of Transportation; The Urban Development Corporation of the State of New York; National Urban League; The Metropolitan Transportation Authority; New York State General Services Administration; New York State Department of Parks; New York State Department of Environmental Conservation; New York State Institutional Facilities Corp.; Village of Freeport, L.I.; City of Glen Cove; villages of Huntington Station and others.

Prepared over 1,600 appraisals for the New York State Department of Transportation and the Attorney General's Office for such projects as the Newbridge Road widening from Broadway to Hempstead Turnpike, L.I.; Wantagh-Seaford Grade Crossing Elimination; Wantagh-Oyster Bay Expressway Extension in Seaford, N.Y.; Jericho-Oyster Bay Road, Muttontown, N.Y.; The Harlem State Office Building from West 125th Street through West 126th Street, Manhattan; Nesconset Highway-Middle County Road Interchange, Smithtown, N.Y.; Jericho Turnpike Route 110 Interchange, Huntington, N.Y.; Widening of Route 110 at Huntington; State Office Building in Hauppauge; Realignment of Route 111, Hauppauge; Widening of Sunrise Highway in Patchogue; Route 684 in Lewisboro, Goldensbridge and Somers, Westchester County; Harlem River State Park; Nepperhan Avenue in Yonkers, N.Y.; Thruway and Route 59 Interchange, Coram, N.Y.; Republic Airport Extension, L.I.; Macombs Dam Bridge Interchange at Yankee Stadium, Bronx, WESTWAY from Moore Street to 36th Street, New York and others.

Appraised all properties within the following projects for the City of New York; P.S. 2 Extension, East New York Model Cities (120 parcels); P.S. 153, Manhattan (25 parcels); Harlem Triangle (80 parcels); I.S. 158, Bronx (35 parcels); LaGuardia Housing (10 parcels); Fresh Creek, Brooklyn, I.S. 195, Manhattan (36 parcels).

Bruckner Expressway Interchange Parts I and II, Bronx (48 parcels); 14th Street Avenue B Housing (78 parcels); 2 Fire Engine Company sites; P.S. 74 Bronx (16 parcels); 14th Street, Third Avenue Garage (4 parcels); Grand Central Parkway widening in Queens (25 parcels); Public Garage at West 68th Street and Amsterdam Avenue, two office buildings at 1 Liberty Street and 80 William Street, New York City, several re-use appraisals in the South Bronx and others.

Attorney Clients

Arnold & Porter
Bachner, Tally, Polevoy, Misher
Baer Marks & Upham
Benedict Ginsberg, Sommerfield & Weiss
Breed, Abbott & Morgan
Cadwalader, Wickersham & Taft
Carro, Spanbock, Caster & Cuiffo
Chernofsky & deNoyelles
Cladbourn & Parke
Colton, Hartnick, Yamin & Sheresky
Cravath, Swaine & Moore
Davis, Polk & Wardwell
Debevois & Plimpton
Dreyer & Traub
Dunnington, Bartholow & Miller
Foley, Hickey, Gilbert & O'Reilly
Fried, Frank, Harris, Shriver & Jacobson
Galef & Jacobs
Gaston & Snow
Graubard Mollen Horowitz
Pomeranz & Shapiro
Greco & Gottlieb
Harper & Matthews

Kozlov, Seaton & Romanini, P.C.
Kurzman Karelsen & Frank
Lampf, Lipkind, Prupis, Petigrow & LaBue
Lepis, Lepis & Curley
Linden & Deutsch
Michael Rikon, P.C.
Manley, Burke & Fischer
Parker, Chapin, Flattau & Kimpl
Patterson, Belknap, Webb & Tyler
Paul, Weiss, Rifkind, Wharton & Garrison
Pavia & Harcourt
Peter H. & Hubert J. Brandt
Pinney, Payne, Van Lenten, Burrell,
Wolfe & Dilman, P.C.
Pryor, Cashman, Sherman & Flynn
Reavis & McGrath
Robinson Silverman Pearce
Aronsohn & Berman
Rubin, Baum, Levin, Constant & Friedman
Schwartz, Weiss, Steckler & Hoffman
Shea & Gould
Sperry, Weinberg & Waldman
Stroock & Stroock & Lavan
Teitelbaum, Hiller, Rodman,



Hill, Betts & Nash	Paden & Hibsher, P.C.
Hoffinger Friedland Dobrish Bernfeld & Hasen	Tenzer, Greenblatt, Fallon & Kaplan
Hofheimer, Gartlir, Gottlieb & Gross	Turk, Marsh, Kelly & Hoare
Kaye Scholer Fierman Hays & Handler	White & Case
Kramer, Lavin, Neftalis, Nessen,	Winston & Case
Kamin & Frankel	Yeager & Lang

Prepared appraisals on over 6,500 varying property types, such as office and apartment buildings, loft buildings, factories, commercial taxpayers, rooming houses, catering halls, gas stations, parking garages, residential homes, walk-up apartments, regional and super regional malls and community shopping centers, hotels, hospitals, cooperative apartments, drive-ins, theaters, schools, farms, Grand Central Terminal, subdivisions and vacant land of all types.

Consulted on valuation matters over 125 times and prepared land use, feasibility and marketability studies.

The Appraisal Institute conducts a voluntary program of continuing education for its designated members. MAIs and RMs who meet the minimum standards of this program are awarded periodic education certification. Certification under these auspices is continually renewed.

Certified as General Real Estate Appraiser by the Department of State, State of New York, ID #46000001797.

Certified as General Real Estate Appraiser by the Department of State, State of New Jersey, ID #RG01577.

Certified as General Real Estate Appraiser by the Department of State, State of Connecticut, ID #0000671.