

**Building Summary**

Island House			
Address: 551, 555 & 575 Main Street Roosevelt Island, NY			
Site Area: 119,920 SF 2.735 Acres			
Unit Type	Units	Est. SF	Total Sq. Ft
Studio	34	490	16,660
1 BR	92	720	66,240
2 BR	154	1,010	155,540
3 BR	108	1,375	148,500
4 BR	12	1,560	18,720
	400		405,660
Gross Building Area			476,650

**Rental Income**

	Actual 2004	\$/SF	Estimated 2005	\$/SF
Residential	\$6,830,211	\$16.84	\$7,109,700	\$17.53
Commercial	\$81,530		\$83,976	
Misc. (Laundry, Adjust., etc.)	\$17,340		\$17,861	
Vacancy Loss	-\$104,847		-\$107,993	
Total Income	\$6,824,234		\$7,103,544	
Assumed Rent Increase	5%			

**Sales Assumptions**

Insider Purchase Price	\$295
Market Purchase Price	\$550
Flip-Tax	25%
% Sold Yr. 1-Insider	40%
Vacancy Yr. 1-Sold to Market	10%
Yearly Market Sales	5%

**Operating Expenses**

	Actual 2004	\$/GSF	Estimated 2005	\$/GSF
Administrative & Management	\$360,266	\$0.76	\$371,074	\$0.78
Utilities	\$1,346,535	\$2.82	\$1,386,931	\$2.91
Water & Sewer	\$142,662	\$0.30	\$149,796	\$0.31
Payroll	\$1,085,471	\$2.28	\$1,118,035	\$2.35
Insurance, Payroll Taxes & Employee Benefits	\$419,015	\$0.88	\$431,585	\$0.91
Repairs & Maintenance	\$816,313	\$1.71	\$840,802	\$1.76
Financial (taxes, escrows, reserves, etc.)	\$3,576,024	\$7.50	\$0	\$0.00
Miscellaneous	\$33,249	\$0.07	\$34,246	\$0.07
Total Operating Expenses	\$7,779,535	\$16.32	\$4,332,470	\$9.09
Real Estate Taxes	\$6 per sq. ft.	\$0.00	\$2,859,900	\$6.00
Ground Rent	\$1 per sq. ft.	\$0.00	\$476,650	\$1.00
Total Expenses	\$7,779,535	\$16.32	\$7,669,020	\$16.09
Assumed Yearly Inflation	3%			

	Yr. 1	Yr. 2	Yr. 3	Yr. 4	Yr. 5	Yr. 6	Yr. 7	Yr. 8	Yr. 9	Yr. 10
<b>Rental Operations</b>										
Income	3,605,768	3,199,365	2,929,196	2,639,938	2,330,688	2,000,507	1,648,418	1,273,403	874,403	450,318
Vacancy Loss	-104,847	-99,447	-94,326	-89,468	-84,861	-80,490	-76,345	-72,413	-68,684	-65,147
Operating Expenses	-3,834,510	-3,555,939	-3,256,918	-2,936,453	-2,593,509	-2,227,006	-1,835,818	-1,418,771	-974,644	-502,163
Interest Expense	-3,175,789	-2,661,961	-2,129,488	-1,564,173	-963,991	0	0	0	0	0
Operating Income	-3,509,378	-3,117,982	-2,551,535	-1,950,157	-1,311,673	-306,989	-263,744	-217,781	-168,925	-116,992
<b>Condo Sales Operations</b>										
Insider	47,867,880									
Market	22,311,300	11,155,650	11,155,650	11,155,650	11,155,650	11,155,650	11,155,650	11,155,650	11,155,650	11,155,650
Flip-Tax	4,386,199	139,446	139,446	139,446	139,446	139,446	139,446	139,446	139,446	139,446
Total Sales Proceeds	\$74,565,379	\$11,295,096	\$11,295,096	\$11,295,096	\$11,295,096	\$11,295,096	\$11,295,096	\$11,295,096	\$11,295,096	\$11,295,096
Condo Common Charges	3,605,768	4,085,335	4,590,431	5,122,156	5,681,653	6,270,110	6,888,761	7,538,888	8,221,823	8,938,948
Operating Expenses	-3,834,510	-4,346,148	-4,885,377	-5,453,413	-6,051,522	-6,681,017	-7,343,270	-8,039,704	-8,771,800	-9,541,101
Condo Income	-228,742	-260,812	-294,946	-331,257	-369,868	-410,907	-454,509	-500,816	-549,978	-602,153
Finance Amount (Purchase Price-Yr.1)	119,669,700	48,280,110	39,646,975	30,481,367	20,750,445	10,419,341	-548,964	0	0	0
Sales Proceeds Towards Principal	74,565,379	11,295,096	11,295,096	11,295,096	11,295,096	11,295,096	11,295,096	11,295,096	11,295,096	11,295,096
Loan Balance	45,104,321	36,985,014	28,351,879	19,186,272	9,455,349	-875,755	-11,844,059	-11,295,096	-11,295,096	-11,295,096
Plus: Interest Expense	3,175,789	2,661,961	2,129,488	1,564,173	963,991	0	0	0	0	0
Total to Finance	48,280,110	39,646,975	30,481,367	20,750,445	10,419,341	0	0	0	0	0