



PETER COOPER
VILLAGE

STUYVESANT
TOWN

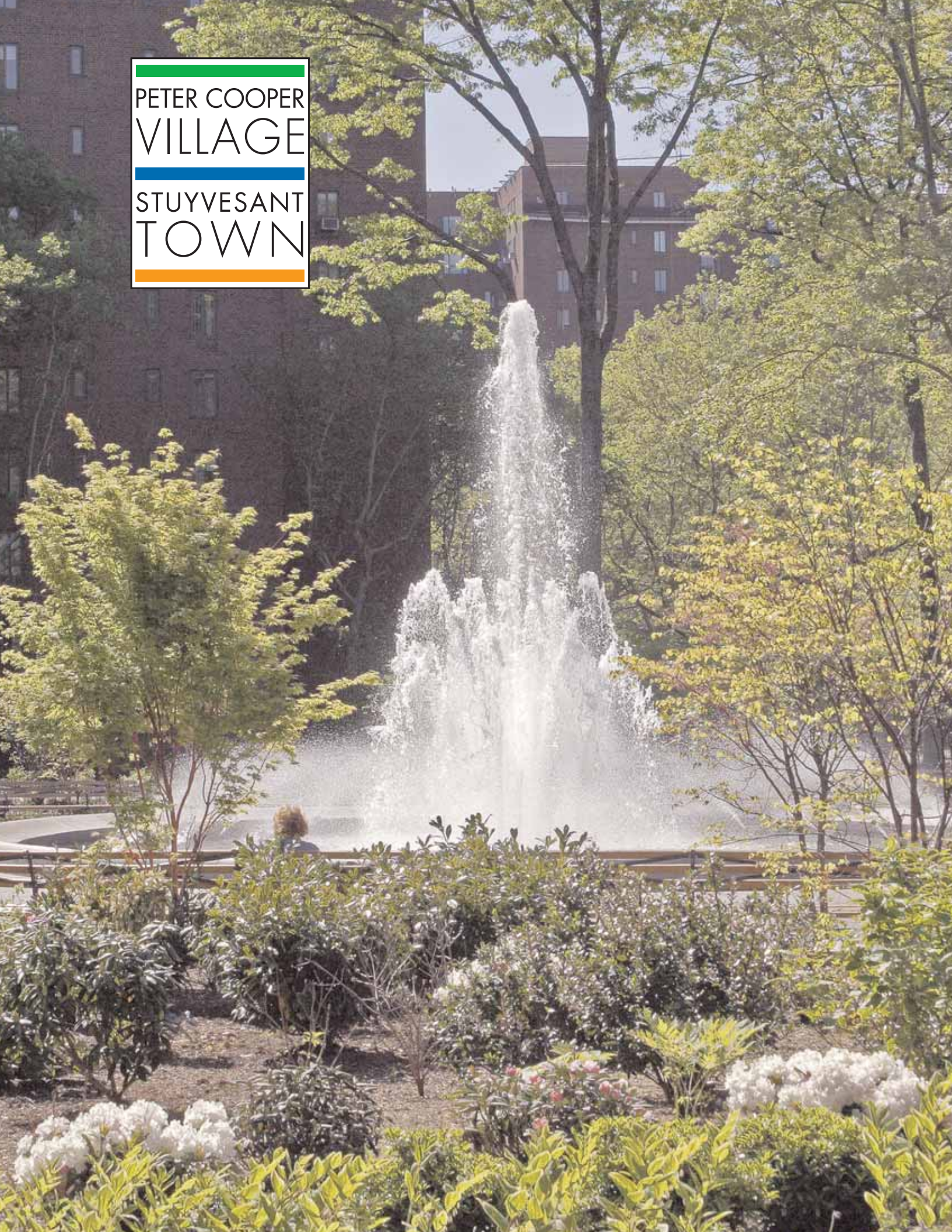
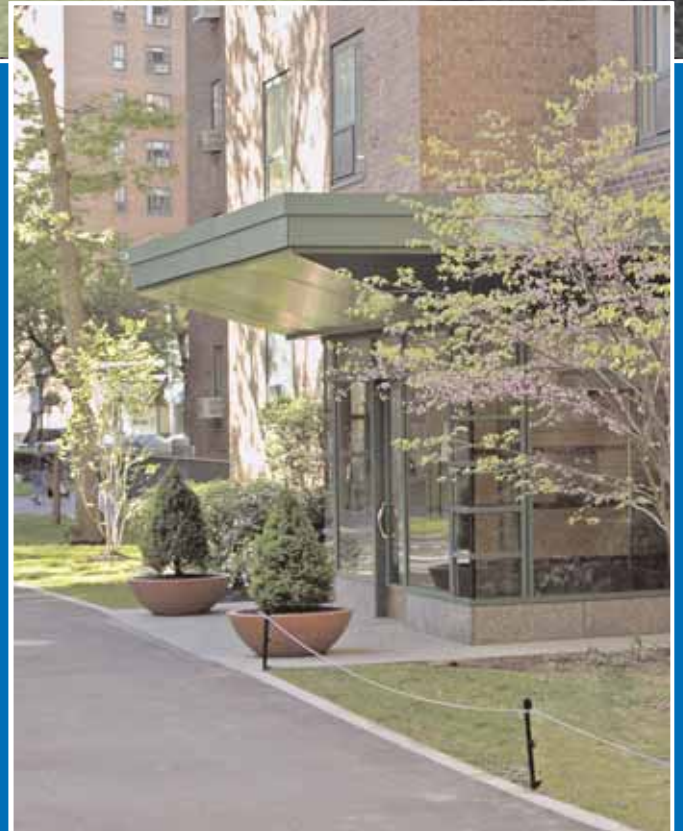
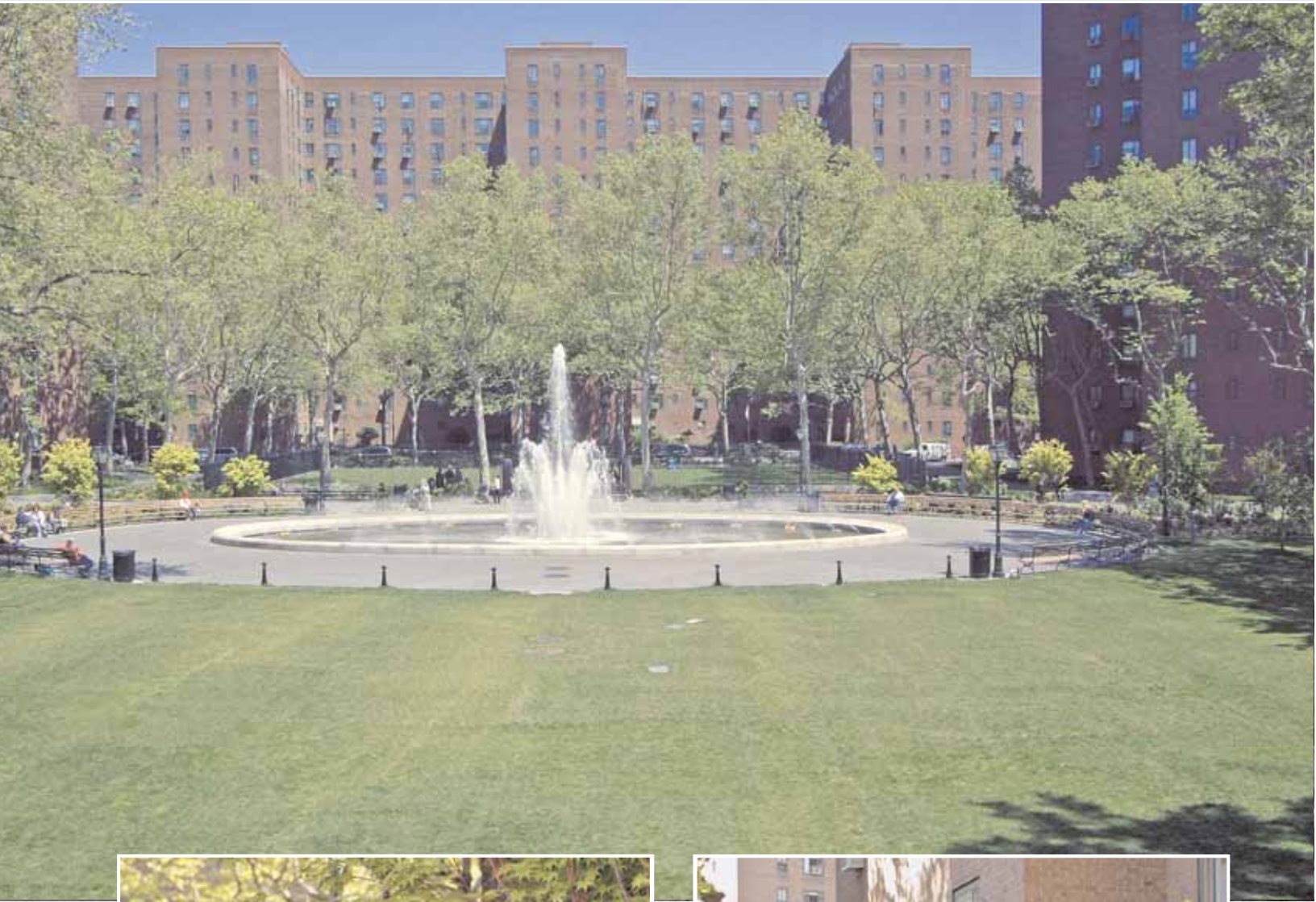


TABLE OF CONTENTS



EXECUTIVE SUMMARY

4

PROPERTY DESCRIPTION

Property Description - Peter Cooper Village	12
Property Description - Stuyvesant Town	20
Environmental Information	28
Community Services	30
Site Map	35
Floor Plans	36

NEIGHBORHOOD OVERVIEW

Overview	42
Area Map	53
Points of Interest	54

MARKET ANALYSIS

Overview	58
Retail Map	73

FINANCIAL ANALYSIS

Cash Flow Projection	76
Cash Flow Assumptions	82
Residential Rental Income & Other Calculations	94
Historical Income & Expenses	106
Sample Stacking Plans	110
Real Estate Tax Projection	112

APPENDIX

Confidentiality Agreement & Conditions	116
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EXECUTIVE SUMMARY



- With 80 sprawling acres, comprising 10 city blocks north to south, 110 buildings, 11,232 units, and 20,000 increasingly affluent residents, PCV/ST is by far Manhattan's largest apartment complex.
- The Complex has the exclusive advantage of being Manhattan's only "city within a city," combining serene pastoral living with convenient urban access.
- We believe ongoing deregulation will continue to allow new ownership to fully leverage the unparalleled competitive advantages of the Complex and take advantage of the soaring rental market.
- Over \$320 million in capital improvements and apartment renovations since 2002 have reinvigorated and refined the image of the Complex.
- New ownership has infinite opportunities to personalize, improve and transform the Complex into the city's most prominent market rate master community.



BRIEF HISTORY OF PCV/ST

Built for MetLife in 1947 on the former estate of Peter Stuyvesant, Peter Cooper Village and Stuyvesant Town (“PCV/ST”) is unlike anything else in Manhattan. Upon completion, the Complex* was an overnight success, with applicants exceeding availabilities by a factor of ten. During the years that followed, PCV/ST became synonymous with serene, safe and convenient residential living, an established "brand" that is immediately recognized throughout the New York City metropolitan region.

OVERVIEW OF THE OFFERING

As Manhattan's largest apartment complex, PCV/ST provides its residents with an 80 acre oasis of meandering pathways, perennial gardens, mature shade trees, and private playgrounds. Removed from the Manhattan street grid, the Complex combines the best aspects of a thriving suburban village, a private community, and a full-service apartment building, offering a superior quality of life to its residents. **The sheer size of PCV/ST is remarkable, with approximately 12.7 million gross square feet, including 9.5 million gross square feet in ST and 3.2 million gross square feet in PCV, 110 residential buildings, 11,232 apartment units, and a population of approximately 20,000 people.** This "city within a city" is a self-contained community with a full range of amenities located in the midst of the greatest city on earth.

Highlights include approximately 100,000 square feet of convenience-oriented retail services, close to 17,000 square feet of professional office space, six separate parking garages, a 24-hour private security staff, and an impressive array of community activities, such as free outdoor concerts, art shows and children's programs.

DEMAND DRIVERS

The overriding competitive advantage of PCV/ST is its unique ability to combine pastoral living with convenient access to major area employers and transportation networks. PCV/ST is strategically positioned midway between the Midtown and Downtown business districts and the Complex is within walking distance of five major hospitals, the Midtown South office corridor, the United Nations, and several prominent educational institutions. The chart below samples this deep and diverse employment base creating residential demand in the neighborhood:

Employer / Institution	SF
Credit Suisse	2,630,397
New York Life	1,933,957
Consolidated Edison	1,722,363
Beth Israel Medical Center	585,591
The Reed Elsevier Group	457,093
Ziff Davis	196,671
NYU Medical Center	168,016
TOTAL SF	7,694,088

PHYSICAL CHARACTERISTICS	PETER COOPER VILLAGE	STUYVESANT TOWN	COMBINED
Site Acres	19.0	61.4	80.4
# of Apartment Units	2,483	8,749	11,232
Building Addresses	21	89	110
Building Structures	21	35	56
# of Floors (including basement and terrace)	16	13 or 14	n/a
Enclosed Parking Spaces (six garages)	n/a	2,260	2,260

*Peter Cooper Village is in itself a Complex; Stuyvesant Town is also a Complex; and at times we refer to both in the aggregate as a Complex

PCV/ST UNIT SUMMARY

STUYVESANT TOWN	1 BR	2 BR	3 BR	4 BR	5 BR	Total
Total Units	4,534	3,725	452	1	37	8,749
Rent Stabilized Units	3,166	2,836	383	0	31	6,416
Market Rate Units	1,368	889	69	1	6	2,333
PETER COOPER VILLAGE	1 BR	2 BR	3 BR	4 BR	5 BR	Total
Total Units	1,210	1,252	20	1	0	2,483
Rent Stabilized Units	792	969	17	1	0	1,779
Market Rate Units	418	283	3	0	0	704

EVOLVING DEMOGRAPHIC

The Rent Regulation Reform Acts of 1993 and 1997, which included the adoption of more equitable rules guiding the transition of stabilized apartments to market rate status, encouraged current ownership to begin moving PCV/ST away from its traditional rent stabilized composition. To date, 27% of the units are deregulated, a trend that is changing the overall demographics of the Complex. As this deregulation continues, new ownership can fully leverage the unique competitive advantages of the apartments, including their spacious layouts, windowed kitchens and bathrooms, absence of abutting buildings, and stunning River and landscaped views.

COMPREHENSIVE CAPITAL IMPROVEMENTS

The transformation of PCV/ST is well underway, led by current ownership's aggressive capital improvement program. Approximately \$168 million has been committed to or spent on infrastructure improvements that include roof replacements, electrical upgrades, elevator modernizations, window replacements, façade work, improvements to the playgrounds, replacement of walkways, roadways, and perimeter fencing, security upgrades, and major renovations to lobbies, entrances, and common corridors. In addition to these Complex-wide improvements, ownership has invested an additional \$109 million in the renovation of individual market rate units, at an average of \$40,000 to \$50,000 per

unit. The effect of these well-planned interior and exterior renovations is obvious, dramatically improving the overall image of the Complex and paving the way for PCV/ST's continued evolution into Manhattan's leading market rate master community.

CREATIVE STRATEGIES

As the PCV/ST population evolves in response to deregulation, new ownership will have a unique opportunity to put its personal stamp on Manhattan's largest apartment complex. Creative strategies could include:

- Creating combined apartments for families
- Upgrading and expanding the retail component
- Developing senior-friendly buildings
- Use of air rights
- Gated Communities
- Creating rooftop terraces
- Modernizing facades of select buildings
- Developing new entertainment and/or health club amenities
- Offering free shuttle service to transportation hubs
- Adding doormen to further promote the notion of a high-end residential complex
- Converting a portion of the Complex to a home ownership structure
- Adding an elite private school

PCV/ST COMBINED CAPITAL IMPROVEMENT SUMMARY

Project	2002 / 2003	2004 / 2005	Year 2006 as of 7/31/06	TOTAL
Apartment Renovation & Deregulation	\$43,860,038	\$52,308,122	\$13,218,463	\$109,386,623
Local Law #11 & Bulkheads	\$22,534,614	\$20,434,222	\$1,909,469	\$44,878,304
PCV Lobbies, Entrances, Heating System & Site Improvements	\$28,688,934	\$1,626,137	\$3,798,853	\$34,113,924
ST Common Corridors & Lobby Improvements	\$35,105	\$6,663,595	\$13,978,336	\$20,667,036
Playground Phase I - II & Oval	\$9,732,996	\$3,272,632	\$10,693	\$13,016,321
Roof Replacement & Elevator Modernization	\$12,468,424	\$22,850,199	\$9,831,717	\$45,150,339
Apartment Rewiring Fiber Optic, Intercom, & Data Network	\$2,508,530	\$3,215,627	\$849,018	\$6,573,175
Other	\$12,531,856	\$21,243,108	\$11,883,322	\$45,658,286
TOTAL	\$132,360,497	\$131,613,642	\$55,479,870	\$319,454,009

* Sample projects included in the other total include: PCV/ST Laundry Room Renovations (\$3.5 M), Asphalt pathway replacement (\$1.6M), and the ST Bath Five Foot Tile Program (\$1.2 M).

Other areas of upside might include:

- Electrical sub-metering
- Additional storage or parking income
- Pursuit of tenants who are not entitled to rent stabilized status.

FINANCIAL HIGHLIGHTS

New ownership will be in an excellent position to capitalize upon existing ownership's extensive capital investments as well as overall market trends. The various capital improvement projects undertaken by ownership have made the Complex more attractive and marketable, resulting in

increased rents. In addition, rent stabilization law allows much of the cost of these capital investments to be passed through to stabilized tenants. New ownership will be the beneficiary of these "paybacks". These investments, combined with the overall tightening of New York City rental market, have allowed PCV/ST to garner market rents approximately 20% higher than those of just a year ago. With the surge in market rental increases showing no signs of abating, there is immense upside potential, especially for stabilized units rolling to market rates. Changes in tenancy will also have a waterfall effect upon the other income

FINANCIAL HIGHLIGHTS - PCV/ST COMBINED

(\$MMs)	2007	2008	2009	2013	2017
Income	\$286.5	\$333.2	\$378.4	\$524.0	\$676.0
Expense	\$119.1	\$120.3	\$126.0	\$149.2	\$171.9
NOI	\$167.4	\$212.9	\$252.4	\$374.8	\$504.1

producing components, including the retail and parking garages.

TRANSACTION TIMELINE

Bidders are encouraged to make offers for the entire Complex, and for Peter Cooper Village or Stuyvesant Town individually. Bidders choosing to make an offer for the entire Complex must allocate their offer between Peter Cooper Village and Stuyvesant Town. Bidders should be aware that ownership is considering the possibility of retaining a minority interest in the Complex, either in the form of equity, debt, or both. Bidders should not construe ownership's consideration of retaining an interest as a demand or requirement in bidding for the Complex or any obligation of ownership to do so. Bidders should also complete their capital stack with the intention of closing without an ongoing interest retained by ownership. CBRE will keep bidders informed of ownership's consideration of alternative participation scenarios.

The anticipated timeline for this transaction is as follows:

OCTOBER 5: First Round offers delivered to CBRE

OCTOBER 15: Final non-contingent offers with substantial hard deposit

NOVEMBER 15: Closing

CONCLUSION

Truly unique among Manhattan's residential communities, PCV/ST is an 80-acre self-sufficient community that rivals many of New York's leading suburbs in terms of population. Offering unmatched privacy, security, and convenience, the Complex has been one of the City's most popular residential destinations for nearly sixty years. PCV/ST's spectacular facilities are being further enhanced through current ownership's comprehensive capital improvement program, a diligent and well-planned effort that will dramatically reduce the cost of future maintenance. New ownership can build upon these improvements by implementing a variety of value-added strategies, allowing PCV/ST to take its rightful place as Manhattan's most prominent market rate residential community.



PROPERTY DESCRIPTION



- Stuyvesant Town includes 8,749 apartments, in 89 semi-attached 12 or 13 story buildings. Peter Cooper Village consists of 2,483 apartment units in 21 separate 15-story buildings.
- Average Stuyvesant Town apartments are a roomy 755 square feet for a 1-bedroom and 943 square feet for a 2-bedroom. There are 4,534 1-bedroom, 3,725 2-bedroom, 452 3-bedroom, 1 4-bedroom and 37 5-bedroom units.
- Average Peter Cooper Village apartments are a spacious 947 square feet for a 1-bedroom and 1,223 square feet for a 2-bedroom, 2-bathroom unit. There are 1,210 1-bedroom, 1,252 2-bedroom, 20 3-bedroom and 1 4-bedroom units.
- Hundreds of millions of dollars have been spent on recent improvements to the PCV/ST, including elevator, roof and window replacements, lobby, entrance and common corridor renovations, façade work and improvements to the manicured grounds.



INTRODUCTION

Built in 1947, Peter Cooper Village is a spectacular residential complex that includes 2,483 apartment units generously spaced across 19 acres of lawns, gardens, and meandering pathways. Designed by the famous architects Irwin Clavan & Gilmore Clarke, PCV's 21 separate 15-story buildings provide residents with exceptional light and air, bucolic views, and a full complement of physical amenities such as storage facilities, laundry rooms, and 3 private playgrounds. Major renovations to the physical infrastructure have been recently undertaken by current ownership, including upgrades to the grounds, building facades, common corridors, lobbies, elevators, roofs, windows, and electrical, heating, security, and telecommunications systems. These Complex-wide improvements have been supplemented by tasteful renovations to individual apartment units, with an emphasis on kitchen and bathroom modernization. These significant capital expenditures have put PCV in excellent physical condition, allowing new ownership of the Complex to proceed with their marketing vision in an efficient and cost-effective manner.

YEARS CONSTRUCTED

In response to the severe housing shortage that gripped New York following the end of World War II, MetLife developed



both Peter Cooper Village and Stuyvesant Town as a serene and convenient residential enclave in the heart of New York City. Site demolition for Peter Cooper Village began in the fall of 1945 and construction of the Complex's 21 apartment buildings began in 1946. In June, 1947, the first families moved into the residential tower at 601 East 20th Street, with all of PCV's buildings completed by the summer of 1949.

BLOCK & LOT

Peter Cooper Village is designated by Block 978 / Lot 1

SITE AREA

PCV occupies approximately 19 acres of land area, according to New York City records. This is the equivalent of approximately 828,653 square feet, and results in a vast tree-lined community that is recognized as one of the most pleasant, private, and secure places to live in New York City.

ZONING

PCV lies within two distinct zoning districts: R7-2 and C1-7 zones. The majority of the site is within a R7-2 zone, which stipulates a nominal maximum residential FAR of 3.44 and a minimum open space ratio of 22.5. In addition, a C1-7 zone runs along First Avenue, approximately 100 feet deep. This portion of the site has a nominal maximum FAR of 6.02. Please note that the amount of open space required and the FAR is derived from a height factor. Only at certain height factors is the normal maximum FAR permissible.

FRONTAGE

Peter Cooper Village features continuous frontage along the four city streets that bound the site:

First Avenue	649'-8"
East 23rd Street	1,002'-5"
Avenue C	847'-8"
East 20th Street	1,547'-11"

BUILDING LAYOUT

The buildings of Peter Cooper Village were strategically sited at acute angles to the surrounding city streets and at right angles to adjacent buildings to provide a buffer of green space between buildings and to maximize views. This pervasive sense of openness is enhanced by the long and narrow footprint of the buildings, presenting a slim profile when viewed end-on. Areas between buildings are developed with mature landscaping, courtyards, pathways and playgrounds.

COMPLEX SIZE

Peter Cooper Village features 21 separate detached residential buildings with a total of 2,483 apartments. Each building has a separate building address and features a main lobby level topped by 14 identical residential floor plates. Each building also features a full basement equipped with a laundry room, building mechanical equipment, storage space, recycle centers and compactor rooms. Floor designations are Basement, Main Lobby, and 1 - 14.

In addition to the residential buildings of PCV, there are two separate retail structures located on the northeast corner of First Avenue and East 20th Street and on the southeast corner of First Avenue and East 23rd Street. These street-level retail facilities measure approximately 14,000 square feet and feature some of PCV's most prominent retailers, including Chase Manhattan Bank and Zagat-rated Petite Abeille.

An overview of the approximate gross area measurements for Peter Cooper Village is given in the table below:

	Gross SF
Residential	3,209,475
Retail/Professional	18,654
Total Gross SF (approx.)	3,228,129

INDIVIDUAL APARTMENT UNIT SIZES

The residential buildings of Peter Cooper Village feature 14 identical floors plates above the Main Lobby level. Each typical floor includes eight apartments lining a central corridor, while the Main Lobby level features seven apartment units. An overview of the typical unit breakdown per floor is presented below:

Line	Typical Floor SF/ BRs	Main Lobby Level SF/ BRs
A	949 / 1 BR	950 / 1 BR
B	1,221 / 2 BR	1,238 / 2 BR
C	1,220 / 2 BR	1,412 / 3 BR
D	942 / 1 BR	none
E	955 / 1 BR	1,338 / 2 BR
F	1,220 / 2 BR	1,220 / 2 BR
G	1,221 / 2 BR	1,221 / 2 BR
H	941 / 1 BR	941 / 1 BR
TOTAL RENTABLE SF	8,669 SF	8,320 SF

Please note that the rentable apartment measurements presented in this Offering Memorandum reflect re-



measurement based upon CAD drawings provided by ownership. The rentable area of the apartments was measured to the outside face of the buildings and to the mid-point demising walls between units and common corridors. Vertical penetrations and other base building core rooms are deducted with their enclosing walls. It is also important to note that individual residential units have been combined in some instances.

PCV GROUNDS

While the sunny and spacious residential units of Peter Cooper Village provide residents with an exceptionally pleasant living environment, the Complex is best known for its carefully manicured lawns, winding pathways, seating areas, spreading shade trees, flower gardens and recreational facilities. Peter Cooper Village has three private playgrounds, with the following features:

- Playground #1 is an adult playground with 2 paddle tennis courts and 2 bocce ball courts.

- Playground #2 is a children-themed playground with swings, slides, play equipment, and water features.
- Playground #3 is an adult playground with a full-size basketball court.

Ownership recently completed a comprehensive Master Plan project that dramatically improved the Peter Cooper Village grounds. The renovations included replacement of all perimeter sidewalks, interior pathways, roadways, and perimeter fencing, giving the Complex an updated look. The Master Plan also included the installation of masonry piers and gates at all pedestrian entrances, renovation of all playgrounds, new landscaping, upgraded site lighting and the installation of an irrigation system. The massive renovation also added three new security booths and a new entrance plaza on First Avenue at Peter Cooper Road establishing PCV as a private community. In total, these Master Plan improvements to the PCV grounds cost approximately \$11.5 million.

STRUCTURE

The buildings' internal structures consist of concrete-encased steel columns and beams with poured reinforced concrete floor and roof slabs. Foundations are poured-in-place reinforced concrete footings supported on concrete filled steel pilings.

FAÇADE/EXTERIOR

The buildings of Peter Cooper Village present an understated appearance, allowing residents to immerse themselves in the beauty of the Complex's spectacular grounds. Exterior walls consist of concrete-block masonry with a brick veneer.

Comprehensive façade repairs were completed in the 2002-2005 period, at a cost of \$8.2 million and includes façade repairs to parapet walls, corners, spandrel beams, and bulkheads, along with re-pointing. Additional corner and spandrel beam repairs and re-pointing are currently underway at 601 East 20th Street and 8 Peter Cooper Road, with expected completion by the end of 2006. Cycle 6 local law reports are currently underway and will be ready for filing in early 2007.

CEILING HEIGHTS

Typical main and tenant floors have ceiling heights of 8'-9".

FLOOR LOAD

The floor load capacities at PCV are 40 lbs. per square foot.

ROOFS

The diligent maintenance of the buildings at PCV has been carried through to the roofs, all of which were replaced during the 1994-2004 period. Many of these new roofs are covered by Membrane Manufacturer's 20-year NDL Labor/Material Warranties. Roofs are low-slope and are typically comprised of multi-ply, mineral-surfaced, modified bitumen membrane over rigid insulation boards on tapered cinder fill that provides drainage to roof drains. Exceptions are house tank roofs which are consists of monolithic, reinforced, fluid-applied membrane, and the roof at 401 East 20th Street, which is comprised of sprayed-in-place

polyurethane foam with silicone/mineral aggregate surfacing. Roof decks are sloped to either interior roof drains or, in the case of bulkheads, through-wall scuppers.

WINDOWS

All windows in Peter Cooper Village were replaced in the 1991-1992 period. These new windows were manufactured by EFCO and consist of one-inch insulated glass in extruded aluminum frames with operating vents. Windows are primarily casement style units, although there are some fixed and awning-style units in larger openings.

LOBBY/ENTRANCE

Ownership recently completed comprehensive renovations to the residential entrances and lobbies throughout Peter Cooper Village. During this 2002-2003 capital project, lobbies were upgraded to include a beautifully-finished glass-enclosed entry vestibule, improved entrance lighting, a wheelchair lift, a new intercom system, and a state-of-the-art card key access system. Vestibule floors feature bluestone pavers and Deer Island flamed granite tiles, and vestibule walls are clad in Vetter Kasota limestone with antique rouge marble accents. These tasteful high-end finishes are carried through to the renovated lobbies, which feature Deer Island flamed granite floors, architectural wall coverings, and stone accent walls surrounding the elevator entrances. Taken together, the lobby and entranceway architectural renovations cost approximately \$15.7 million.

While lobbies are not currently staffed, the new card-key access and video systems supplement the Complex's significant perimeter and foot-patrol security to ensure a safe and peaceful living environment for the residents of PCV. Current ownership has also begun a program of converting the "C" units on the Main Lobby level from 3-bedroom to 2-bedroom units when they became vacant in order to capture additional space on the Main Lobby level. This additional space could be used for the addition of a manned security desk in the future. To date, 6 "C" units have been converted to 2-bedroom units.

COMMON CORRIDORS

All common corridors were renovated in the mid 1990's. Upgraded common corridors feature painted plaster walls, new carpeting and improved lighting features. All apartment doors are fire-rated, painted metal doors.

UPGRADED APARTMENT INTERIOR FINISHES

Ownership is in the midst of an ongoing renovation program to improve the level of finish for apartment interiors throughout Peter Cooper Village. To date, approximately 25 percent of the units have been upgraded, at an average cost of approximately \$50,000 per unit. Highlights of these high-quality renovations include new kitchens and bathrooms tailored to the discerning tastes of Manhattan's market-rate apartment community. Kitchens feature custom-built maple cabinets, Santa Cecilia granite countertops, new stainless-steel sinks and faucets, ceramic-tile flooring and backsplashes, and new GE gas ranges, refrigerators, dishwashers and over-the-range microwave ovens. Renovated bathrooms are finished with crema marfil marble walls and a combination of crema marfil and statury white marble tile floors and feature wood vanity cabinet with a granite vanity top, new sinks, toilets, bathtubs, and showers. Additional bathroom features include tri-view custom medicine cabinets, granite vanity tops, and new lighting fixtures.

Apartment-wide renovations also include refinished parquet floors, new window shades, new wall sconces, and new window air conditioners.

ORIGINAL APARTMENT INTERIOR FINISHES

Typical original apartment finishes feature oak parquet floors and painted plaster walls and ceilings. The original kitchen finishes include linoleum floors, matching linoleum countertops, painted metal cabinets, and fluorescent strip lighting, with appliances that include a gas stove/range, a refrigerator and a double-basin porcelain sink. Bathrooms feature ceramic-tile floors and wainscoting, a bathtub, a toilet, a pedestal sink, and wall-mounted, incandescent light fixtures.

ELEVATORS

Current ownership's renovations to Peter Cooper Village carry through to the buildings' interior mechanical systems. Each residential building at PCV is serviced by two geared-traction elevators which provide both passenger and service functions. All elevators were modernized in 2001-2003. The modernization project included installation of new microprocessor SCR drive controls, wiring, governors, roller guides, top of car operating stations, door operators, car stations, hall stations and cabs. Existing hoist machines and motors were modernized. Elevator cab finishes include



ELEVATOR SUMMARY

Elevator Bank	Floors Serviced*	Capacity, lbs	Speed, fpm
E1, E2	Basement, Main, 1- 14	2,000 lbs	300

**Note the second floor is labeled Floor 1 and all buildings include a 13th floor.*

bronze metalwork, Kasota limestone panels and rouge antique marble accents. Taken together, cosmetic and mechanical elevator modernization at PCV was completed at a cost of approximately \$5.9 million.

The table above summarizes elevator features.

HEATING

The heating system at PCV is a single-pipe "Metropolitan Loop" system designed and manufactured by Dunham-Bush. The controls for the system were upgraded to a Johnson Metasys automated system in 2005-2006 at a cost of approximately \$4.9 million. The system was modified to permit both automated and manual operation for each of the 21 buildings located in Peter Cooper Village from any network connection.

Con Ed supplies pressurized steam (160-200psi) to four steam stations located at 440 East 23rd Street and 431, 511 and 541 East 20th Street. The pressurized steam is reduced to 8-10 psi through a series of pressure reducing valves at each steam station. From each of these steam stations, low pressure steam is distributed to 4 or 5 other PCV buildings. Each building has eight vertical heating zones. Each zone has a motorized control valve that regulates steam supplied to steam risers in that zone. Temperature sensors within each vertical zone provide input to the automated control system that regulates the motorized control valves. Living rooms and bedrooms are heated by convectors. Kitchen and bathrooms are heated by exposed steam risers. Steam traps, vacuum pumps and discharge pumps are used to remove condensate water from the system as well as control temperature.

COOLING

The buildings at Peter Cooper Village are not equipped with

central air-conditioning. Market-rate apartments are provided with window-mounted air conditioning units and the cost of electricity is included in the base rent. Rent stabilized tenants are responsible for their own cooling and may arrange to install window-mounted air conditioners in their apartments at their own cost. Rent stabilized tenants with air-conditioning units are subject to an air conditioning (electrical) surcharge as stipulated by the DHCR. Window air-conditioning units are typically manufactured by Friedrich. Cooling capacity is typically 14,000 Btu for living rooms and 8,200 Btu for bedrooms. Commercial tenants are also responsible for their own cooling.

ELECTRICAL SERVICE

There are 21 separate Con Edison electrical feeders that serve Peter Cooper Village, one for each residential building. Electricity for the entire Complex is centrally metered with each tenant's electricity costs included in the base rent. Sub-metering of individual apartment units could represent a significant source of additional revenue for new ownership.

2,500-ampere electrical service is provided at 120/208 volts in 3 phases to switchboards located in the basement of each building. Service is provided via underground conduits from each of the four surrounding city streets. Electricity is distributed from the switchboards to new distribution panels located on every third floor - the panels serve the floor on which they are located and the adjacent floors above and below. The new distribution system was installed in 1998-1999 and was configured to accommodate sub-metering, but currently no unit is sub-metered. All apartments have new load centers with 6 to 8 circuit breakers providing a total rating of 80-100 ampere capacity. All apartments are rewired and have new switches and receptacles.

PLUMBING

Peter Cooper Village has four metered points of entry from New York City water mains. These feed directly into four 18,000-gallon rooftop holding tanks, located at 440 East 23rd Street, 431 East 20th Street, 511 East 20th Street, and 541 East 20th Street. Water is distributed from these tanks to the rest of the Complex, with each tank maintaining a 3,500 gallon fire reserve. All but one of these PCV house tanks have been replaced within the last two years, the exception being 440 East 23rd Street. Additional water distribution system renovations are underway, with house pumps throughout the Complex scheduled for replacement during 2006. Installation of in-line filtration and backflow prevention devices is in progress.

Hot water for the Complex is pre-heated in shell and tube heat exchangers before being circulated to the primary heat exchangers located in the basements of 440 East 23rd Street, 431 East 20th Street, 511 East 20th Street, and 541 East 20th Street. The primary water heaters were installed in the late 1980's and are heated by Con Edison steam. Domestic water pipes are original brass while sanitary waste, vent and drain pipes are of cast iron composition. All toilets throughout the Complex are low-flow, using 1.6 gallons per flush.

GAS

Gas services enter the property 18 times at PCV with each building having a direct line from the surrounding city streets with the exception of 3, 4 and 5 Peter Cooper Road. These buildings share a common trunk line passing through the property from 20th Street to 23rd Street.

STAIRWELLS, STANDPIPE, AND FIRE SAFETY

Each building has a double, scissor-type fire rated stairwell designated as Stairwell A and Stairwell B. Stairwells consist of metal treads and risers and metal railings. Stairwells are centrally located opposite the elevator entrances and both stairwells exit through the Main lobby level. Stairwell B continues to the basement level. Stairwell lighting consists of fluorescent wall-mounted fixtures equipped with rechargeable batteries for emergency power. Each PCV



building has a 4" standpipe riser located in the stairwell. Risers are fitted with 2½" threaded valves and hoses. Fire department Siamese connections are located at various points around the Property. The standpipe system is fed from four roof mounted house water storage tanks. Basement laundry rooms, trash compactors and recycling areas are all sprinklered. Apartment units are equipped with battery-operated smoke detectors, but there is no central life-safety control or monitoring system. Commercial tenants are responsible for their own life-safety and sprinkler systems.

SECURITY

Ownership recently completed the installation of a new security system at Peter Cooper Village. The security system includes a card key access system at all building entrances, laundries, mechanical, electrical, and elevator mechanical rooms. Security can also be reached by intercom in the elevators. Video cameras are located in lobbies, basements, elevator cabs, and throughout the grounds of PCV. Motion detectors and door contacts are located at roof access doors and emergency call stations at strategic locations throughout the Complex. The card key access system runs on a Lenel application. Security systems are monitored at the Security Command Center at 518 East 20th Street in Stuyvesant Town. The new security system was installed in 2003-2004 at a cost of approximately \$5.7 million. In addition, a new Door King intercom system was installed throughout the Complex in 2002-2004 at a cost of approximately \$1.6 million. The intercom system allows tenants to remotely provide visitors direct access into the building lobby from the entrance vestibule.

INFO VISION PROJECT

In addition to the current card key system, ownership has begun a \$300,000 project that utilizes Info Vision digital signage to alert residents with both building specific and Complex wide notices. The information provided by these screens would include emergency, community, recreational and neighborhood news alerts in addition to real time news and weather feeds. This would provide unparalleled publicity for community events and children gatherings, bringing the entire community closer together. As the use of the Info Vision systems quickly becomes a daily routine, new ownership can rent "air time" and advertising space to local businesses eager to capitalize on the Complex's vast population. Not only can these notifications be seen when entering or exiting the building on 32" vandal resistant flat screen lobby monitors, but they can also be retrieved by residents in their apartments via an in-house cable channel. Due to this advanced system, residents can be targeted with information about their specific building within the Complex.

TELECOMMUNICATIONS

Apartments are connected to telephone, cable TV and internet service from both copper wire and cable connections. Telecommunications "hub rooms" in Peter Cooper Village are located in the basements of various buildings throughout the Complex. The telecommunications system is designed to allow three distinct vendors to supply telephone, cable and internet service, providing choice and competitive pricing for the residents of PCV. Each apartment has one dedicated co-axial and 4 dedicated T-5 pairs for telephone and internet service. Each apartment is also equipped with a Network Interface Device (NID), which serves as a junction box for telephone and cable services.

FIBER OPTIC NETWORK

The 21 buildings that make up Peter Cooper Village are interconnected via multi and single-mode fiber optic cables. These connections allow for diverse forms of technology to communicate across PCV to a single monitoring station. The PCV Fiber consolidation point is in 601 East 20th Street. The technologies that currently benefit from the fiber connections are

card key access controls, security cameras and emergency phone stations. The current systems hardware is located in the Rack Room located at 315 Avenue C and monitored in 518 East 20th Street. In the future, this same fiber optic cable may be used to monitor building mechanicals such as metering, heating, water pump controls, and elevator management in addition to many other possibilities.

LAUNDRY ROOMS

Coinless laundry rooms renovated in 2002 are located on the Basement Level of each building and are open daily from 7am to 11pm. Each room is equipped with an EDS card vendor which can be used to operate the machines and detergent dispensers.

STORAGE UNITS

U-Haul International, an independent contractor, maintains and manages approximately 370 storage units on the property. Only residents of each building are permitted to rent these 4' x 6' units.

PARKING

Central Parking System operates six parking garages located along the perimeter of Stuyvesant Town that include a total licensed capacity of 2,260 parking stalls. While these are not technically part of Peter Cooper Village, they provide convenient parking for the Complex's residents. In addition to monthly rates, short term and guest day rates can be purchased.

CONCLUSION

Combining spacious grounds and generous apartments with a focused maintenance and renovation program, Peter Cooper Village is a great place to live that keeps getting better. Capital improvements have elevated the quality of PCV both inside and out, including major renovations to mechanical infrastructure, telecommunications networks, security systems, recreational facilities, and aesthetic features. These improvements have built upon the inherent strengths of PCV as Manhattan's most private and peaceful residential enclave, efficiently promoting its transition towards a market-rate master community.

INTRODUCTION

Built between 1945 and 1949, Stuyvesant Town is Manhattan's largest residential enclave. Occupying the equivalent of nearly eighteen city blocks, Stuyvesant Town includes 8,749 apartment units spaced across more than 61 acres of gardens, playgrounds, pathways, looping roadways, and a great lawn graced with a spectacular central fountain. Designed by the famous architects Irwin Clavan & Gilmore Clarke, Stuyvesant Town features 89 residential addresses within 35 separate structures of 13 or 14 stories each including the terrace levels. The strategic spacing of these buildings maximizes sunlight and views, providing residents with an exceptionally pleasant living environment. The Complex's impressive facilities are currently receiving major renovations under current ownership's far-reaching capital improvement plan. These Complex-wide improvements have been supplemented by tasteful renovations to individual apartment units, with an emphasis on kitchen and bathroom modernization. These ongoing upgrades are dramatically improving the overall quality of Stuyvesant Town from a physical and functional point of view, building upon the Complex's long-established reputation as Manhattan's most serene, secure, and convenient residential community.

YEAR CONSTRUCTED

In response to the enormous demand for housing generated

by returning veterans from World War II, MetLife developed both Peter Cooper Village and Stuyvesant Town as a community-oriented residential enclave in the heart of New York City. Site demolition for Stuyvesant Town began in 1945 and construction of the Complex's 35 separate apartment structures began in 1946. In August, 1947, the first families moved into the residential buildings at 605 East 14th Street, 615 East 14th Street, and 625 East 14th Street, with all of Stuyvesant Town's buildings completed by June of 1949.

BLOCK & LOT

Stuyvesant Town is designated by Block 972 / Lot 1

SITE AREA

Stuyvesant Town occupies approximately 61.4 acres of land area, according to New York City records. This is the equivalent of approximately 2,674,352 square feet.

ZONING

The Complex lies within three zoning districts: R7-2, R7-2 overlaid by C1-5, and a C1-7 commercial zone. The R7-2 zone has a nominal maximum residential FAR of 3.44 and a minimum open space ratio of 21.5. A portion of the site along East 20th Street and select areas along East 14th Street are overlaid with a C1-5 commercial zone with a depth of approximately 100 feet. A separate C1-7 commercial zone





runs along First Avenue with a depth of approximately 100 feet. This zone has a nominal maximum FAR of 6.02. Please note that the amount of open space required and the FAR is derived from a height factor. Only at certain height factors is the normal maximum FAR permissible.

FRONTAGE

Stuyvesant Town features continuous frontage along the four city streets that bound the site:

First Avenue	1,362'-0"
East 20th Street	1,654'-6"
Avenue C	1,496'-0"
East 14th Street	2,003'-0"

COMPLEX SIZE

Stuyvesant Town features 89 semi-attached buildings clustered in 35 residential structures with a total of 8,749 apartments. Each building features 13 or 14 similar above-grade floors plates, including a Terrace level that is partially below grade. The Terrace levels of each building typically contain apartment units, mailboxes, a laundry room, building mechanical equipment rooms, storage space, waste recycle centers and compactor rooms. Floor designations

are Terrace, Main, and 1 -11 or 1- 12.

Stuyvesant Town also includes six parking garages that are partially below grade and commercial retail spaces along First Avenue, 20th Street and 14th Street. The enclosed garages include a total of 2,260 parking spaces. Access to the Complex is provided by four loop roads, each meeting one of the four city streets that encircle the Complex at two separate points. There are approximately 275 outdoor parking spaces along these loop roads.

The master design of the Complex is best revealed from the air, with residential buildings, roadways, pathways, playgrounds, gardens and other features strategically distributed around a central lawn area known as the "Stuyvesant Oval". This central oval serves as the "town square" of the Complex, providing a pleasant place for residents to mingle and relax as well as playing host to summer concerts and art shows.

There are three separate blocks of First Avenue retail space within the Complex, offering convenience-oriented shopping for the residents of Stuyvesant Town. These facilities are augmented by smaller retail and professional office space located along 14th Street and 20th Street. Stuyvesant Town's total retail and professional office area measures approximately 97,000 square feet. An overview of the floor area measurements for Stuyvesant Town is given in the following table:

	Gross SF
Residential	8,893,673
Retail/Professional	96,496
Mgt Office/Amenity	44,271
Garage	481,187
Total Gross SF (approx.)	9,515,627

TYPICAL FLOOR AND UNIT SF

The residential buildings of Stuyvesant Town feature 11 or 12 similar floors plates above the Main level. Floors are typically

PROTOTYPE STRUCTURE ADDRESS	TOTAL OF STRUCTURE TYPE (1)	BUILDINGS PER STRUCTURE (2)	TOTAL BUILDINGS	TYPICAL RENTABLE SF/FLOOR (3)
1-3 Stuyvesant Oval	4	2	8	7,500
5-7-9 Stuyvesant Oval	4	3	12	6,400 - 6,800
240-250-405 First Avenue	3	3	9	6,600 - 6,800
270 First Avenue	6	1	6	7,500
272-274-276-278 First Avenue	2	4	8	6,200 - 6,800
310 First Avenue	1	1	1	6,800
315-319-321 Avenue C	2	3	6	6,000 - 6,400
430-440 East 20th Street	7	2	14	6,800
442-444-446-448-450 East 20th Street	3	5	15	6,400 - 6,800
521-523-525 East 14th Street	2	3	6	7,200 - 7,600
622-624-626-628 East 20th Street	1	4	4	6,400 - 6,800
Total Structures	35	Total Buildings	89	

- 1) Structures can have more than one building / address
- 2) Includes prototypical structure shown as example
- 3) Floorplates similar from floors 1 and above; square footages are rounded

laid-out in a cross-shaped configuration, with eight apartments lining an H- or L-shaped central corridor. An overview of the typical rentable square footage per building floor is presented above.

Please note that the measurements presented in this Offering Memorandum reflect re-measurement based upon CAD drawings provided by ownership. The rentable area of the apartments was measured to the outside face of the buildings and to the mid-point demising walls between units and common corridors. Vertical penetrations and other base building core rooms are deducted with their enclosing walls. It is also important to note that individual residential units have been combined in some instances.

COMMON GROUNDS

Stuyvesant Town is best known for its open lawns, winding pathways, mature shade trees, colorful flower gardens and

diverse outdoor recreational facilities. Recent major improvements to the Stuyvesant Town grounds include the renovation of 11 playgrounds, new landscaping, upgraded lighting, the construction of three new security booths, and a beautiful renovation of the Oval and the Oval fountain. This work was completed in 2002-2005 at a cost of \$12.2 million.

Stuyvesant Town has 12 private playgrounds with the following features:

- Playgrounds #1, #5, #7, #9 and #11 are adult playgrounds with paddle tennis courts, bocce ball courts, full-size basketball courts, a volley ball court, and chess tables.
- Playgrounds #2, #4, #8 and #12 are children-oriented playgrounds equipped with swings, slides and play equipment. Playground #4 also has water features.

- Playgrounds #3 and #10 are open play fields surfaced with Edel artificial turf.
- Playground #6 is a kids-themed play area featuring sidewalk games.

The roadway and sidewalk systems in Stuyvesant Town are currently undergoing a full renovation as well. The majority of this \$12.3 million dollar project, including the installation of new cement and asphalt sidewalks, the repavement of the perimeter and Avenue C loops, and the creation of raised crosswalks will be completed by October 2006. Renovation of the First Avenue perimeter and loop should be completed by year end. Full completion of all loops and roadways should be completed by Spring 2007.

STRUCTURE

The buildings of Stuyvesant Town were built, with internal structures that consist of concrete-encased steel columns and beams with poured reinforced concrete floor and roof slabs. Foundations are poured-in-place reinforced concrete footings supported on concrete filled steel pilings.

CEILING HEIGHTS

Typical tenant floors have ceiling heights of 8'- 4".

FLOOR LOAD CAPACITY

The floor load capacities at Stuyvesant Town are 40 lbs. per square foot.

FAÇADE/EXTERIOR

The buildings of Stuyvesant Town present an understated appearance, allowing residents to immerse themselves in the beauty of the Complex's spectacular grounds. Exterior walls consist of concrete-block masonry with a brick veneer. Comprehensive façade repairs were completed in the 2000-2005 period, at a cost of \$39.1 million. Façade repairs included isolated repairs to parapet walls, corners, spandrel beams, and bulkheads, along with re-pointing. Additional corner and spandrel beam repairs and re-pointing are

currently underway at 645 East 14th Street, 635 East 14th Street, 245 Avenue C and 321 Avenue C, with expected completion by the end of 2007. Cycle 6 Local Law 11 reports are underway and will be ready for filing in early 2007.

ROOFS

The diligent maintenance of the buildings at Stuyvesant Town has been carried through to the roofs, all of which were replaced during the 1994-2006 period. Most of these new roofs are covered under Membrane Manufacturer's 20-year NDL Labor/Material Warranties. Roofs are low-slope and are typically comprised of multi-ply, mineral-surfaced modified bitumen membrane over rigid insulation boards on tapered cinder fill that provides drainage to roof drains. Exceptions are house tank roofs, which are comprised of monolithic, reinforced, fluid-applied membrane. Roof decks are sloped to either interior roof drains or, in the case of bulkheads, through-wall scuppers.

WINDOWS

All windows in Stuyvesant Town were replaced in the 1991-1992 period. These new windows were manufactured by EFCO and consist of one-inch insulated glass in extruded aluminum frames with operating vents. Windows are primarily casement style units, although there are some fixed and awning-style units in larger openings.

LOBBY/ENTRANCE

Ownership is in the process of renovating Terrace and Main Level lobbies in each building, with a substantial portion of this work expected to be completed by the end of 2006. Renovations include new glass and aluminum-framed entry doors, recessed floor mats, porcelain tile wall finishes, new intercom systems, card key access systems, and new lighting fixtures. Flooring in entry vestibules is porcelain tile and flooring in lobbies is refurbished terrazzo. Lobbies within Stuyvesant Town are not currently staffed.

COMMON CORRIDORS

Ownership is in the process of updating all corridors on the

ELEVATOR SUMMARY

Elevator Bank	Floors Serviced	Capacity, lbs	Speed, fpm
E1, E2	Terrace, Main, 1-12 (45 Bldgs.)	2,000 lbs	250
E1, E2	Terrace, Main, 1-11 (44 Bldgs.)	2,000 lbs	250

residential floors, with work expected to be completed by the end of 2006. Renovated corridors feature painted plaster walls with chair rail moldings, carpeted floors, and upgraded lighting fixtures. Common corridors include important safety features such as fire-rated metal doors for all apartments and emergency lighting with rechargeable batteries.

UPGRADED APARTMENT INTERIOR FINISHES

Ownership is in the midst of an ongoing renovation program to improve the level of finish for apartment interiors throughout Stuyvesant Town. To date, approximately 25 percent of the units have been upgraded, at an average cost of approximately \$40,000 per unit. Highlights of these high-quality renovations include new kitchens and bathrooms tailored to the discerning tastes of Manhattan's market-rate apartment community. Kitchens feature custom-built maple cabinets, Santa Cecilia granite countertops, new stainless-steel sinks and faucets, ceramic-tile flooring and backsplashes, and new GE gas ranges, refrigerators, dishwashers and over-the-range microwave ovens. Renovated bathrooms are finished in ceramic tile and feature new sinks, toilets, bathtubs, showers, tri-view custom medicine cabinets, wood vanity cabinets, cultured marble vanity tops, and new lighting fixtures. Apartment renovations also include refinished parquet floors, new window shades, new wall sconces, and new window air conditioners.

ORIGINAL APARTMENT INTERIOR FINISHES

Typical original apartment finishes feature oak parquet floors and painted plaster walls and ceilings. The original kitchen finishes include linoleum floors, matching linoleum countertops, painted metal cabinets, and fluorescent strip

lighting, with appliances that include a gas range/oven, a refrigerator and a double-basin porcelain sink. Bathrooms feature ceramic-tile floors and wainscoting, a full-sized bathtub, a tank-type toilet, a pedestal sink, and wall-mounted, incandescent light fixtures.

ELEVATORS

Current ownership's renovations to the apartments, grounds, and building envelopes of Stuyvesant Town carry through to the building's interior mechanical systems. A comprehensive \$30 million elevator modernization project conducted in the 2004-2006 period included the installation of new AC hoist motors, microprocessors, variable frequency drive controls, wiring, governors, roller guides, top of car operating stations, door operators, car and hall stations and cabs. Existing hoist machines were overhauled and the original manually-operated swing doors were replaced with automatic sliding doors. Typical elevator cab finishes include stainless steel doors and side panels, plastic laminate wall panels, metal mesh wainscoting and carpet over VCT flooring. Each of the 89 residential building addresses at Stuyvesant Town is serviced by two geared-traction elevators which provide both passenger and service functions. The chart above summarizes elevator features.

HEATING

The heating system is a single-pipe "Metropolitan Loop" system designed and manufactured by Dunham-Bush. Ownership is in the process of upgrading the control system to a Johnson Metasys automated system in order to permit both automated and manual operation for each of the Stuyvesant Town buildings from any centralized location with a network connection.

Con Ed supplies pressurized steam (160-200psi) to fourteen

steam stations located throughout the Complex. The pressurized steam is reduced to 8-10 psi through a series of pressure reducing valves at each station before being distributed to 3-7 additional buildings. Each building has three or four vertical heating zones, and upon completion of the new control system, each zone will have a motorized control valve that will regulate steam supplied to risers in that zone. Temperature sensors within each zone will provide input to this automated control system.

Within individual apartment units, living rooms and bedrooms are heated by convectors while kitchen and bathrooms are heated by exposed steam risers. Steam traps, vacuum pumps and discharge pumps are used to remove condensate from the system as well as to help control temperature. Shell and tube heat exchangers are used to transfer the residual heat from the condensate water to the domestic hot water as a pre-heat cycle for the hot water system. The condensate water is then returned to Con Edison for additional use.

COOLING

Buildings at Stuyvesant Town are not equipped with central air-conditioning. Market-rate apartments are provided with window-mounted air conditioning units and the cost of electricity is included in the base rent. These window units are typically manufactured by Friedrich and generate a cooling

capacity of 14,000 Btu for living rooms and 8,200 Btu for bedrooms. Rent stabilized tenants are responsible for their own cooling and may arrange to install window-mounted air conditioners in their apartments at their own cost. Rent stabilized tenants with air-conditioning units are subject to an air conditioning (electrical) surcharge as stipulated by the DHCR. Commercial tenants are also responsible for their own cooling.

ELECTRICAL SERVICE

There are 41 separate Consolidated Edison electrical feeders serving Stuyvesant Town, with each feeder providing electricity to 1-3 building addresses. Electricity for the entire Complex is centrally metered in each building and the cost of each tenant's electricity usage is included in the base rent. Sub-metering of individual apartment units could represent a significant source of additional revenue for new ownership.

Electricity is provided via underground conduits from each of the four surrounding city streets at 120/208 volts in 3 phases. Feeder capacity varies from 1,600 - 6,000 amps, depending on the number of buildings served. Each main electrical service point feeds 1,200 or 1,600-ampere switchboards located in the basement of each building address. Electricity is then transferred to new distribution panels located on every third floor, designed to serve the floor on which they are located along with the floors immediately above and below. The new distribution system was installed in 1992-1994 and was configured to accommodate possible sub-metering.

The electrical upgrade also included improvements to individual units. All apartments in Stuyvesant Town now have new load centers with circuit breakers providing a total rating of 50-70 ampere capacity. Upgrades also included internal apartment re-wiring with new switches and receptacles, but not all apartments received this re-wiring; rent stabilized tenants were allowed to opt out of the internal rewiring upgrade in order to avoid MCI increases.



PLUMBING

Stuyvesant Town has four metered points of entry from New York City's water mains. These feed directly into four 38,000-gallon wood holding tanks located on the roofs at 9, 10, 16 and 17 Stuyvesant Oval. Water is distributed from these tanks to the rest of ST, with each tank's bottom 5,000 gallons held in fire reserve. All four house tanks in Stuyvesant Town have been replaced within the last two years. Additional improvements to the water distribution system are underway, with house pumps and controls throughout ST scheduled for replacement during 2006. Installation of in-line filtration and backflow prevention devices and is in progress, as is the replacement of exterior water isolation valves.

Hot domestic water for ST is pre-heated in shell and tube heat exchangers before being circulated to the primary heat exchangers located in each of Stuyvesant Town's fourteen steam stations. The Patterson-Kelley water heaters were installed in the late 1980's and are heated by steam provided by Con Edison. Domestic water pipes are original brass while sanitary waste, vent and drain pipes are of cast iron composition. All toilets throughout the Complex are low-flow, using 1.6 gallons per flush.

GAS SERVICE

Gas services enter the property approximately sixteen times from the surrounding city streets directly terminating in perimeter buildings. Typically, each gas line point of entry serves a building structure with the exception of five structures throughout the Stuyvesant Town property. These five structures are served with two points of entry because of their size. The gas service for interior Stuyvesant Town buildings enters the property via each loop Road, then interconnecting with each other to form one service for all interior buildings with no end point on the property and no direction of flow other than a continuous low pressure psi.

STAIRWELLS, STANDPIPE, AND FIRE SAFETY

Each building has two fire-rated enclosed stairs designated as Stairwell A and Stairwell B. Stairwells feature metal treads

and risers and metal railings, and each is equipped with wall-mounted fluorescent light fixtures equipped with rechargeable batteries for emergency power. Stairwells are centrally located, with one situated behind the elevator bank and the other generally opposite the elevator entrances. Both stairwells exit through the Main lobby level and one stairwell continues down to the Terrace level.

In each building, Stairwell A includes a 4-inch standpipe riser fitted with 2½-inch threaded valves and hoses. The standpipe system is fed from the four roof-mounted domestic water tanks, and fire department Siamese connections are located at various points around the Complex. Terrace level laundry rooms, trash compactors and recycling areas are all sprinklered. Apartment units are equipped with battery-operated smoke detectors, but there is no central life-safety control or monitoring system. Commercial tenants are responsible for their own life-safety and sprinkler systems.

SECURITY

Current ownership is installing a new security system at Stuyvesant Town similar to the one in Peter Cooper Village. The security system features card key access at all building entrances, laundries, mechanical, electrical, equipment rooms, and garage entrances. Video cameras will monitor lobbies, garages, basements and elevator cabs. Motion detectors and door contacts will be installed at roof access doors and Code Blue emergency call stations will be installed at strategic locations around the property. The card key access system will run on an AMAG solution and the video cameras will utilize a VERINT solution. The card key system at Stuyvesant Town is currently being improved through the installation of Elbex video intercom systems. So far, 8 buildings have upgraded lobby intercom units that allow residents to view visitors on their television monitors before allowing entrance into the building. The video feeds from these 8 properties are already connected via fiber optics back to the Security command center, allowing both residents and security to provide building access at their discretion. Moreover, the Elbex system also allows management to send visual text messages to individual tenant's apartments. All security systems will be monitored

from the Security Command Center at 518 East 20th Street. Installation of the new system began in 2006, with expected completion in 2008.

In addition to these major networked security upgrades, a new Elbex intercom system is being installed throughout Stuyvesant Town. The intercom system is a direct-wire technology with video display, allowing tenants to view visitors in the lobby and provide access into the building lobby from the entrance vestibule. Terrace and Main lobby intercom panels also have direct voice communication to the Security Command Center. Work on the intercom system began in 2006 and is expected to be completed in 2008.

TELECOMMUNICATIONS

Apartments receive telephone, cable TV and internet service from both copper wire and cable connections. Telecommunications "hub rooms" in Stuyvesant Town, are located in the basements of various buildings throughout the Complex. The Telecommunications system is designed to allow three distinct vendors to supply telephone, cable and internet service, providing competitive pricing for the residents of the Complex. Each apartment has one dedicated co-axial and four dedicated T-5 pairs for telephone and internet service. Each apartment is also equipped with a Network Interface Device (NID), which serves as a junction box for telephone and cable service.

FIBER OPTIC NETWORK

The 89 building addresses that make up Stuyvesant Town are interconnected via single-mode fiber optic cables and a CISCO switched data network. These connections allow for a variety of technologies to operate within the Complex, with uses that will include card key access controls, security cameras, emergency phone stations, heating controls, in-house telecommunications, and intercom connections to the Security Command Center. The system hardware is located in the Rack Room located at 315 Avenue C and monitored at 518 East 20th Street. In the future, the existing fiber optic cable may be used to monitor building mechanical systems such as metering and water pump controls, along with many other possibilities.

LAUNDRY ROOMS

Coinless laundry rooms are located on the Terrace Level of each building and are open daily from 7am to 11pm. Each room is equipped with an EDS card vendor which can be used to operate the machines and detergent dispensers.

STORAGE UNITS

U-Haul International, an independent contractor, maintains and manages approximately 1,195 storage units within the Complex. Only residents of each building are permitted to rent these 4' x 6' units.

PARKING

Central Parking System operates six parking garages located along the perimeter of Stuyvesant Town that include a total licensed capacity of 2,260 parking stalls. In addition to monthly rates, short term and guest day rates can be purchased. As a potential source of additional revenue, parking capacity could be increased by creating reserved monthly parking along the Complex's four loop roadways.

LOADING DOCKS

A single-bay approximately 30' deep is located on Avenue C and accepts pallet deliveries.

CONCLUSION

Building upon Stuyvesant Town's proud history as one of Manhattan's most popular residential destinations, ST is currently alive with renovation activity. Initiatives that are now underway include security and intercom upgrades, sidewalk and roadway renovations, lobby and common corridor improvements, and upgrades to the heating and water distribution systems. These important improvements come on the heels of major capital renovations to ST's grounds, facades, roofs, windows, elevators, and electrical systems. In total, more than \$224 million has been spent on recent capital renovations, modernizing Stuyvesant Town and drastically reducing future costs for new ownership. Stuyvesant Town's gleaming new image is being further enhanced by the ongoing renovation of market-rate units, a key driver behind the evolving demographic of this one-of-a-kind residential enclave.

In 2002, Consolidated Edison Company of New York, Inc. ("ConEd") entered into a voluntary cleanup agreement with the New York State Department of Environmental Conservation ("DEC") which, among other things, requires ConEd to coordinate and fund the investigation and, if necessary, remediation of environmental waste resulting from the operation of manufactured gas plants ("MGPs") and manufactured gas holder stations ("MGHs") by ConEd's corporate predecessors. (See DEC Voluntary Cleanup Agreement No. D2-0003-02-08 (the "VCA")). Peter Cooper Village and Stuyvesant Town are among the sites addressed by the VCA. (See January 2003 New York State Department of Health ("DOH") Fact Sheets (issued by DOH in conjunction with ConEd).

ConEd, under DEC's supervision, has undertaken extensive, multi-year investigations of PCV and ST indoor air, soil and groundwater quality. (See Site Characterization Report for Con Edison/Former East 21st Street Works Manufactured Gas Plant, VCA Index No. D2-0003-02-08 (Haley & Aldrich, 2005) (the "PCV Report") and Site Characterization Report for Con Edison/Former Consolidated Edison Manufactured Gas Plants Stuyvesant Town Housing Development, VCA Index No. D2-0003-02-08 (Haley & Aldrich, 2005 revised) (the "ST Report") (collectively, the "ConEd Reports").) The ConEd Reports, each of which has been approved by DEC, state that neither indoor air nor surface soil to a depth of three to five feet appear to have been impaired by historic MGP/MGH operations at PCV and ST. For example, the PCV Report states that indoor air was "not likely to have been adversely impacted by subsurface intrusion of vapors" and that the quality of the surface soil was attributable to "imported fill . . . anthropogenic sources, and/or naturally occurring sources unrelated to former MGP operations." (See PCV Report at pp. iii and 50-1.) Similar conclusions were reached with respect to ST. (See ST Report at pp. 19 (surface soil data) and 28 (indoor air quality "was not impacted by the subsurface intrusion of MGP-related vapors").) With respect to subsurface soil and groundwater, the PCV Report states that subsurface soil (most intensely

from 15-40 feet below grade) and groundwater in some areas of PCV have been significantly affected by historic MGP/MGH operations, while other areas do not appear to be substantially affected and deeper portions of the natural soil and bedrock appear either clean or very slightly contaminated. (See PCV Report at p.iii (the depth to the top of clean soil samples ranges from 13-49 feet below grade across the site and groundwater appears to be contaminated with MGP waste at levels exceeding DEC Class GA standards).) The ST Report indicates that subsurface soil and groundwater contamination at ST are much less extensive and generally confined to areas around the three former MGH stations. Data from recent excavations appears to confirm that subsurface soil and groundwater contamination are much less extensive than at PCV, although the former MGH stations appear to have been larger than ConEd anticipated. (See ST Report at pp. ii-iii and 4.)

The ConEd Reports indicate that historic MGP/MGH soil and groundwater contamination pose no actual risk to tenants, invitees or workers provided contaminated soil and groundwater are properly handled when and if excavated or exposed, and because PCV/ST groundwater is not and has not been used for any purpose. (See PCV Report at p. iii (residents, retail/commercial occupants, maintenance workers and/or construction workers were "potential receptors" only under "certain limited circumstances" and an appropriate soil management plan could render all potential exposure pathways incomplete); ST Report at pp. iii and 34-6 (same).) Ownership, working with an environmental consulting firm, has implemented a site specific Operations, Maintenance and Monitoring ("OMM") plan designed to ensure that maintenance personnel at PCV and ST are properly trained and that all legally required procedures are followed.

Ownership anticipates that ConEd will submit final site characterization reports to DEC for both PCV and ST sometime in the fourth quarter of 2006, and formally submit its proposed remedial measures sometime in the third

quarter of 2007. For further information regarding the status of ConEd's investigation of MGP/MGH contamination at PCV or ST, please contact ConEd, DEC and/or DOH.

The information set forth above has been obtained from publicly available reports and information and data obtained, generated and prepared by unrelated third parties. Although the above information includes references to

specific portions of reports and other documents, it is suggested that the complete report or document be reviewed and considered. Ownership makes no representations or warranties regarding the accuracy or completeness of any statements made herein or any report or other document referenced herein.



A VILLAGE AND A TOWN

Peter Cooper Village and Stuyvesant Town represent Manhattan's perfect realization of the "city within a city" concept, a thriving self-contained community with its own family-oriented events, recreational and parking facilities, and retail and concierge services. Removed from New York's typical street grid, PCV/ST offers gently arcing driveways, meandering pathways and tranquil open spaces. When the residents of PCV/ST open their windows, they hear the sounds of birds chirping rather than traffic. The children of the Complex can visit 15 private playgrounds all within a few steps of their apartments. On-site indoor and outdoor parking is available, including six separate underground parking garages, while approximately 117,000 square feet of PCV/ST retail and professional office space allows residents to meet their daily shopping needs without ever having to leave the Complex. The safe suburban atmosphere of the Complex is fostered by 24-hour vehicle and foot-patrolled security and several manned booths around the perimeter, while the community spirit of PCV/ST is enhanced by



numerous events hosted inside the Oval, including concerts, art shows and children's activities. In sum, PCV/ST marries the privacy and security of a model private community with the amenities of a suburban town, all in the midst of the world's greatest city. Highlights of the Complex's spectacular variety of community services are outlined below:

PLAYGROUNDS For residents with children, the Complex's 15 private playgrounds are one of PCV/ST's most cherished amenities. Open from 9:30 am to dusk, the playgrounds are scattered throughout the Complex, allowing easy access for parents with young children. Dedicated staff from PCV/ST's Recreation Department initiate recreational activities for the residents of the Complex.

In addition to equipment and programs geared towards kids, the playgrounds also provide facilities that can be enjoyed by teens and adults. The Complex features five full-sized basketball courts, all of which were renovated within the

past five years, including new transparent backboards and professional rims. Additional recreational facilities include eight paddle tennis courts, four bocce courts, a volleyball court, nine chess tables, four ping-pong tables, and several open general-use playfields, two of which are surfaced with artificial turf.

THE OVAL AND FOUNTAIN Lush with mature trees and colorful flowers, the Stuyvesant Town Oval is both the geographical and cultural center of the ST community. Considered the "town square" of the Complex, the expansive Oval lawn is strategically located at the hub of ST's network of pathways and private drives, serving as a venue for people of all ages to mingle, exercise, sunbathe, and relax. The Oval's spectacular new fountain is surrounded by signature park benches; a perfect place to relax and enjoy the peaceful atmosphere. Surrounded on all sides by a pastoral buffer at least 250 yards deep, the central Oval epitomizes the privacy and serenity that makes PCV/ST so appealing. WIFI is available in the oval area through RCN

PROGRAMS AND EVENTS PCV/ST is more than just a popular apartment complex with a long list of physical amenities; it is a thriving community with a human face. Committed to the preservation and development of the PCV/ST community, the Complex's dedicated staff is always looking for new ways to nurture the warm neighborhood atmosphere of the facility. Highlights of PCV/ST-sponsored programs include an outdoor summer concert series, art shows throughout the year, a summer-long "Point Tournament" for school-aged children that consists of various playground games, soccer lessons, Tai Chi sessions, an annual paddle tennis tournament, a Halloween costume party for kids, and an adult chess league. The community is kept informed of news and events through a newsletter, which is regularly updated on PCV/ST's dedicated community website (www.pcvst.com). Like any good community, PCV/ST takes care of its oldest and youngest members with an on-site Community Center and year-round activities organized by the Recreation Staff.





COMMUNITY CENTER Located on the terrace level of 449 East 14th Street, the newly built 1,500 sf community center provides a place for residents to relax and socialize. Whether it is stopping in to surf the Internet on one of the centers' six computers, watching a movie on the 96 inch projection television or participating in one of the various community sponsored events held there, the recent addition of the center will only further enhance the sense of community at ST.

CONCIERGE SERVICE Full concierge service is offered to the Complex's residents by a third-party provider known as "The Villager". Personalized services include housekeeping tasks, package handling, furniture moving, tutoring, and ticket and restaurant reservations. For the hard working professionals who make PCV/ST their home, these services provide a vital quality-of-life convenience.

SECURITY A trained security staff is on call around the clock to help maintain a safe and secure environment for

residents. With security booths strategically located along the perimeters of the Complex and guards patrolling the grounds on foot and by car, PCV/ST continues to be one of the safest communities in New York City.

LAUNDRY FACILITIES While there are many Laundromats and dry cleaners in the area, many residents prefer to do their own laundry. Virtually every residential building in PCV/ST is equipped with its own recently renovated laundry room, located in the basements at Peter Cooper Village and on the terrace levels in Stuyvesant Town.

STORAGE FACILITIES Despite the spacious apartment layouts of units within the Complex, New Yorkers always seem to accumulate more possessions than they sometimes can comfortably fit into their homes. The obvious remedy is on-site storage, available for a fee within the basement or terrace levels of the Complex. This convenient storage service is professionally operated by U-HAUL.

ZIPCAR One of the newest features offered at PCV/ST is on-site car rentals from Zipcar. Residents can rent Zipcars by the hour or day by making reservations on-line or over the phone. Since a majority of the Complex's residents do not own a vehicle, this is an extremely convenient option for those who occasionally need the use of a car. The service is made affordable by the special discount given to PCV/ST residents.

PARKING GARAGE For those residents with cars, convenient on-site parking facilities include above-ground parking on the Complex's loop roads and six underground garages with a total capacity of 2,260 cars. Surrounded by major transportation arteries and thoroughfares, PCV/ST is an exceptionally auto-friendly place to live, particularly compared to most New York City residential facilities, which do not offer parking of any kind.

PCV/ST RETAILERS The day-to-day shopping needs of the Complex's residents are served by approximately 100,000 square feet of on-site convenience-oriented retail shops. These dedicated retailers provide a crucial amenity for the PCV/ST community, providing convenient grocery stores, banks, cleaners, delicatessens, a cafe, a drug store, clothing shops, shoe stores, video rental outlets, electronics shops, and restaurants.

CONCLUSION

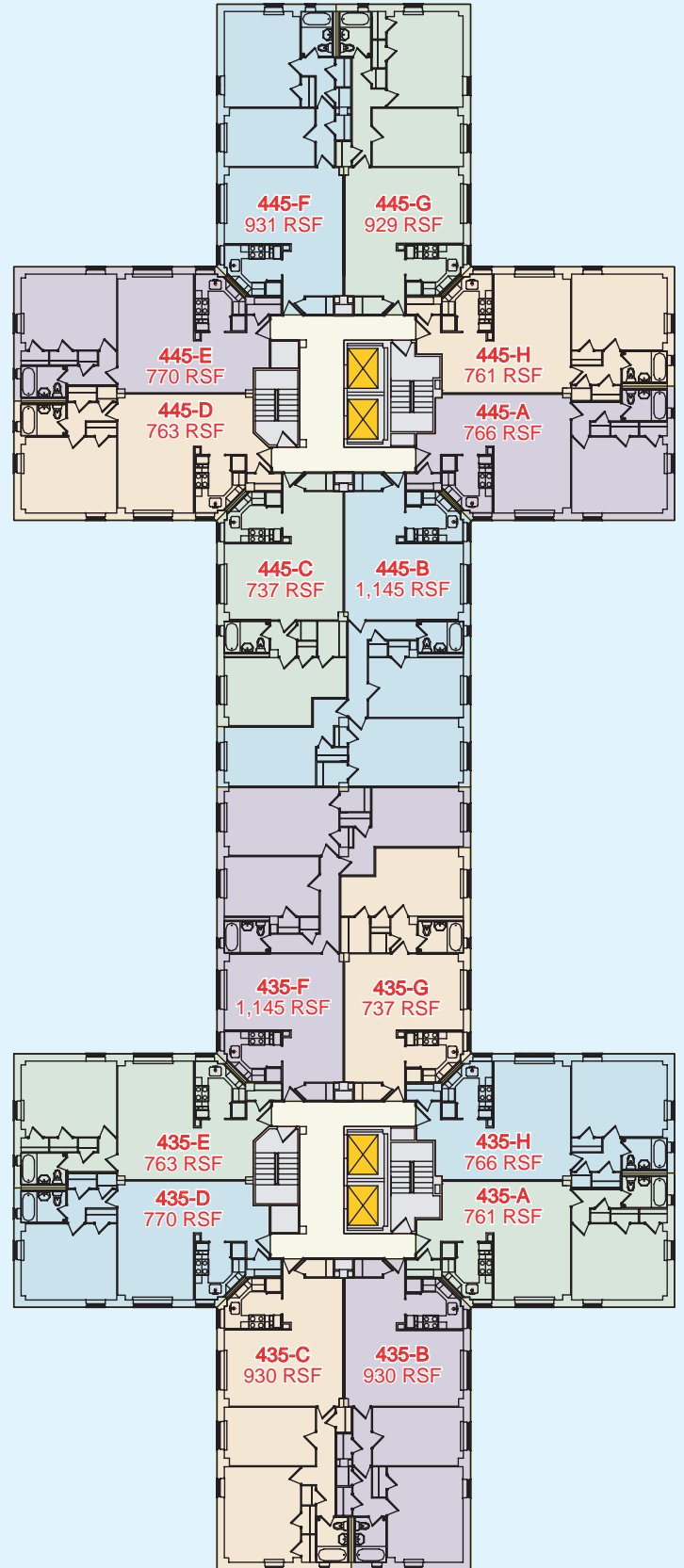
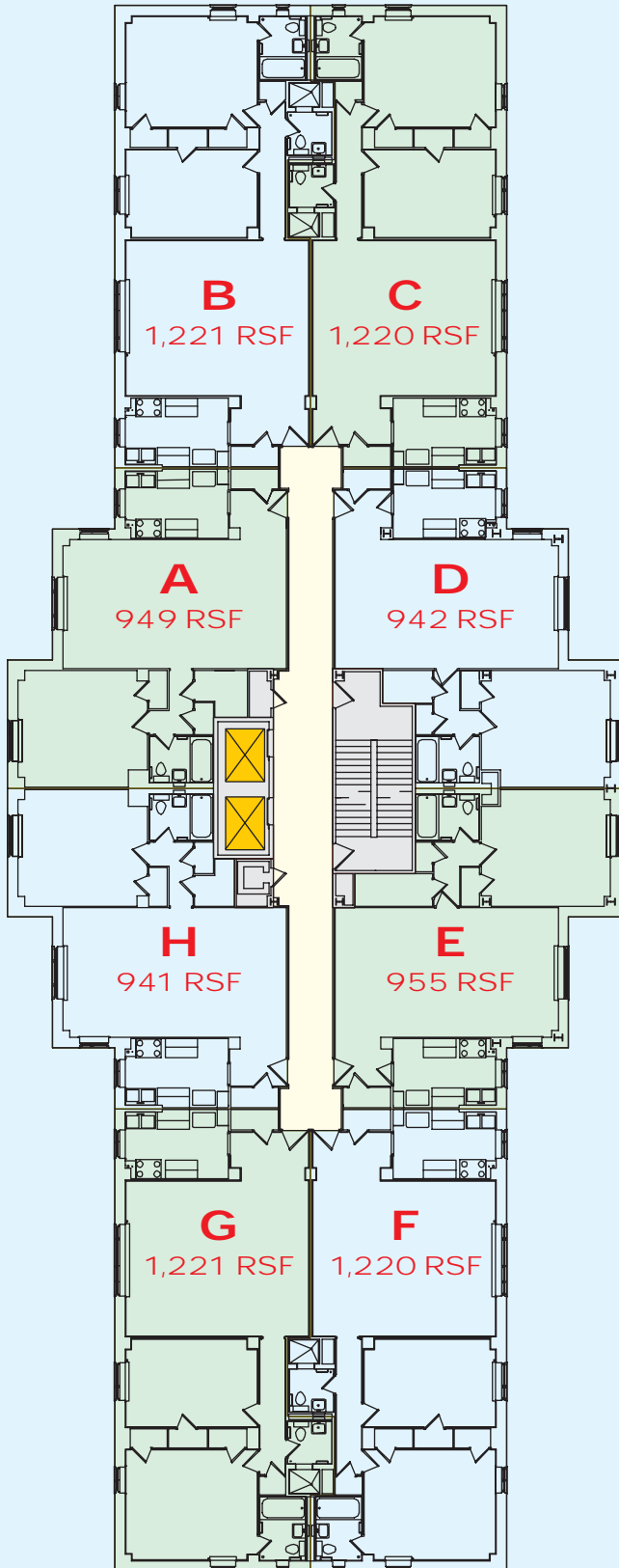
PCV/ST combines the best aspects of a thriving suburban village, a private community, and a full-service apartment building, providing its residents with a wonderful quality of life. Safe and convenient, the Complex is carefully managed to encourage recreation, relaxation, and a pervasive sense of community. Tailored to the interests and needs of residents of all ages, PCV/ST's comprehensive services and facilities make it one of New York City's most cherished residential enclaves.





PCV FLOOR PLAN

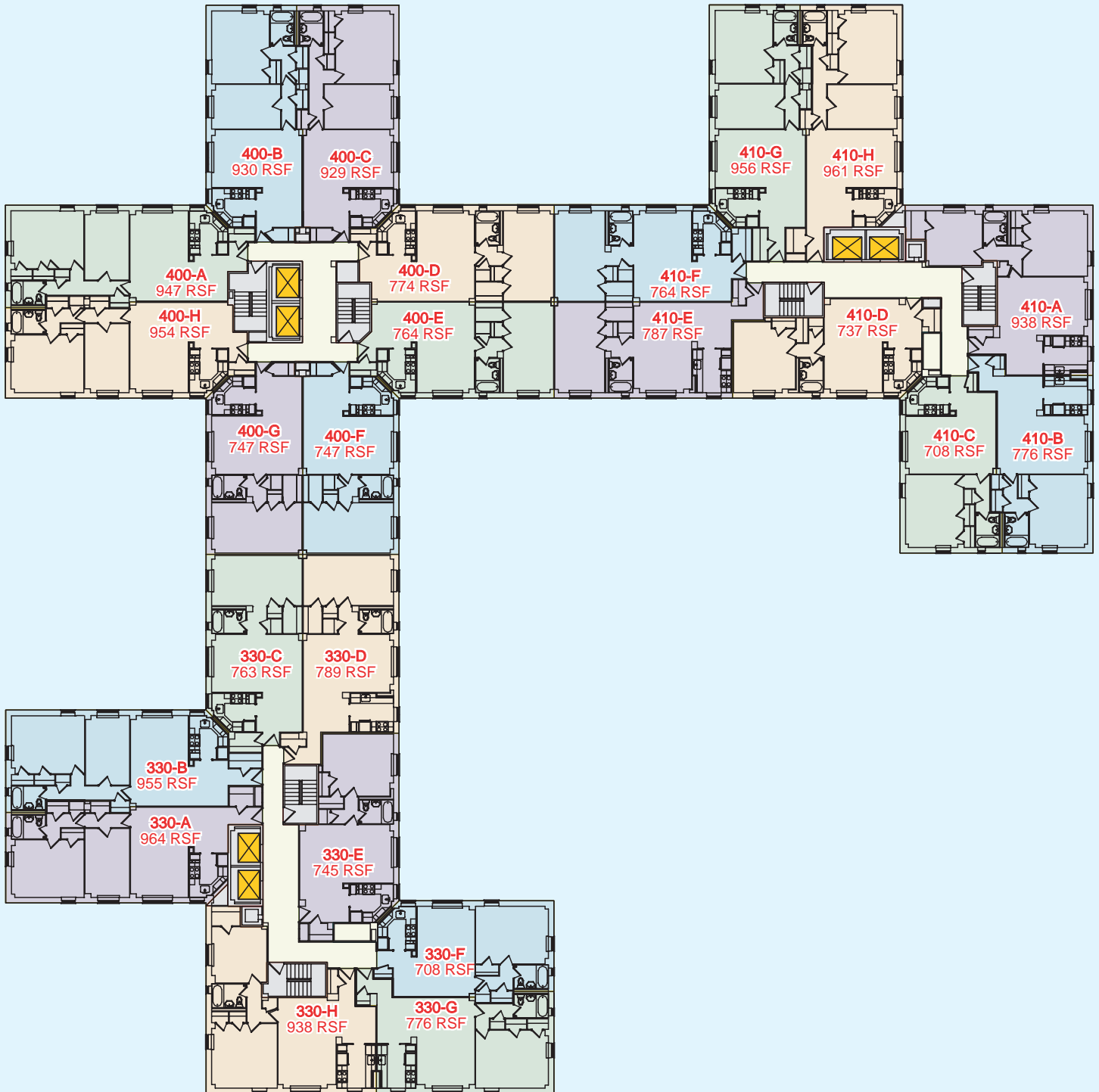
TYPICAL FLOOR PLAN REPRESENTATIVE OF THE 21 RESIDENTIAL PETER COOPER VILLAGE BUILDINGS



435 - 445 EAST 14TH STREET

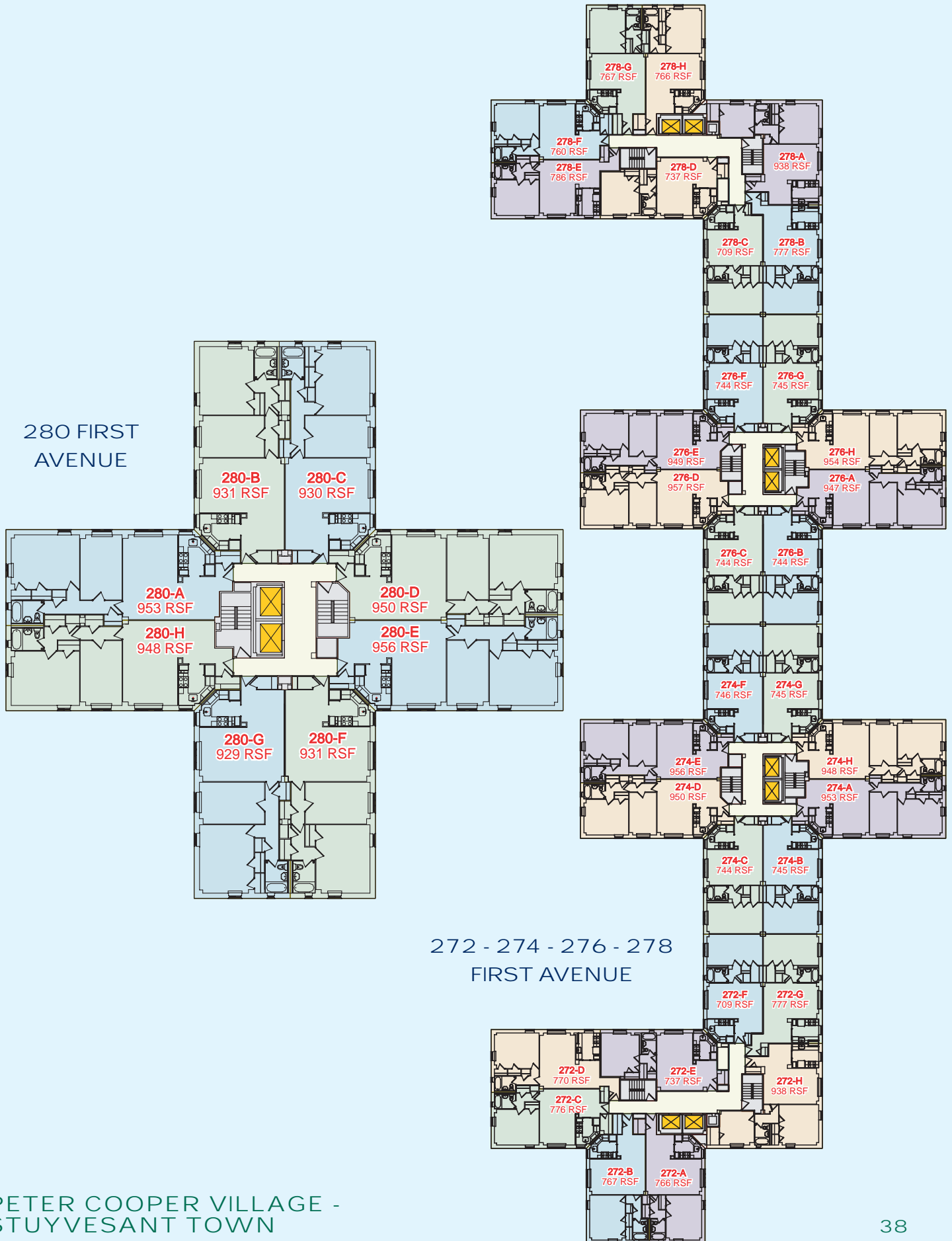
PETER COOPER VILLAGE -
STUYVESANT TOWN

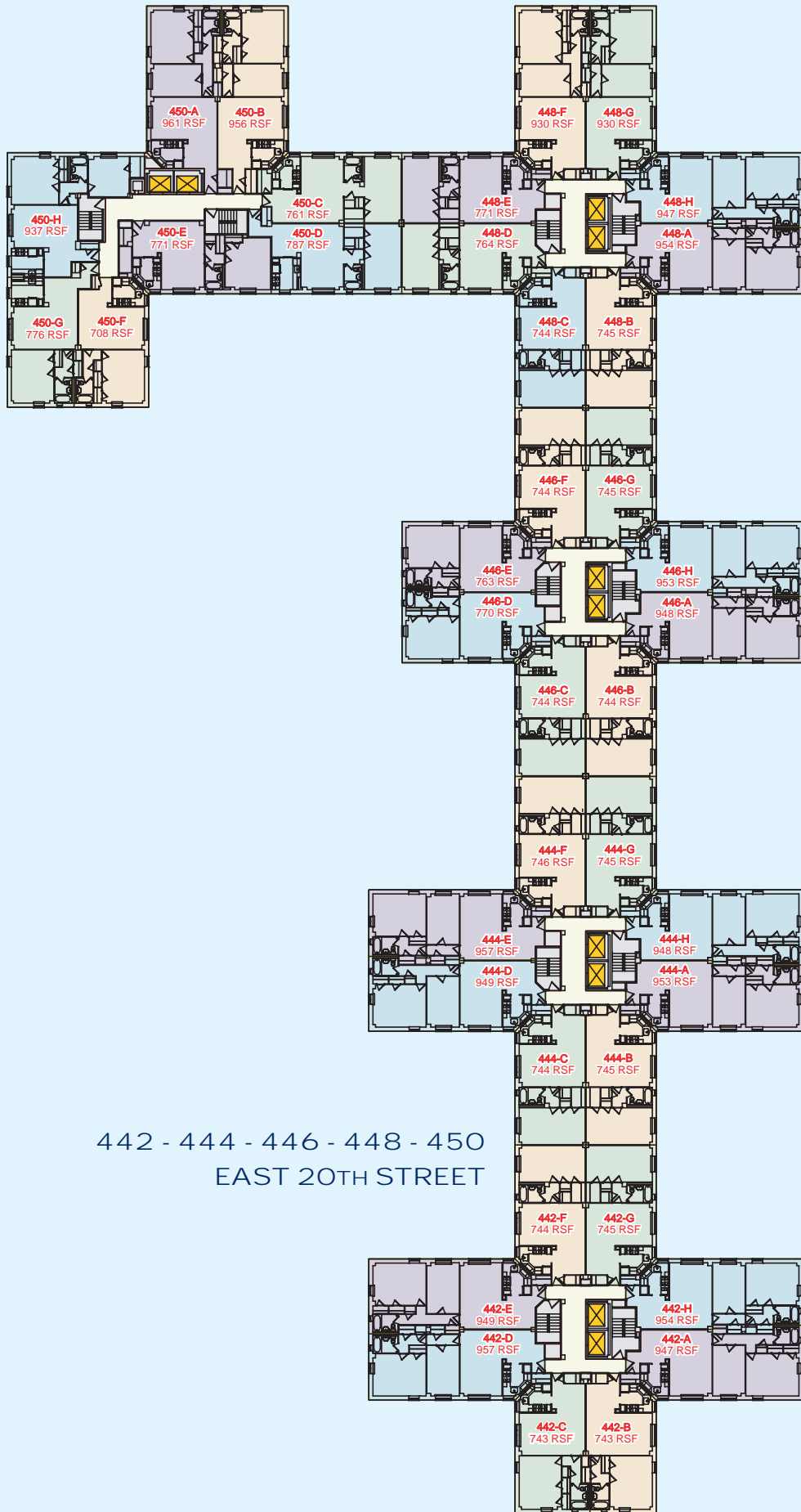
STUYVESANT TOWN FLOOR PLANS



330 FIRST AVENUE
400 - 410 EAST 20TH STREET

STUYVESANT TOWN FLOOR PLANS



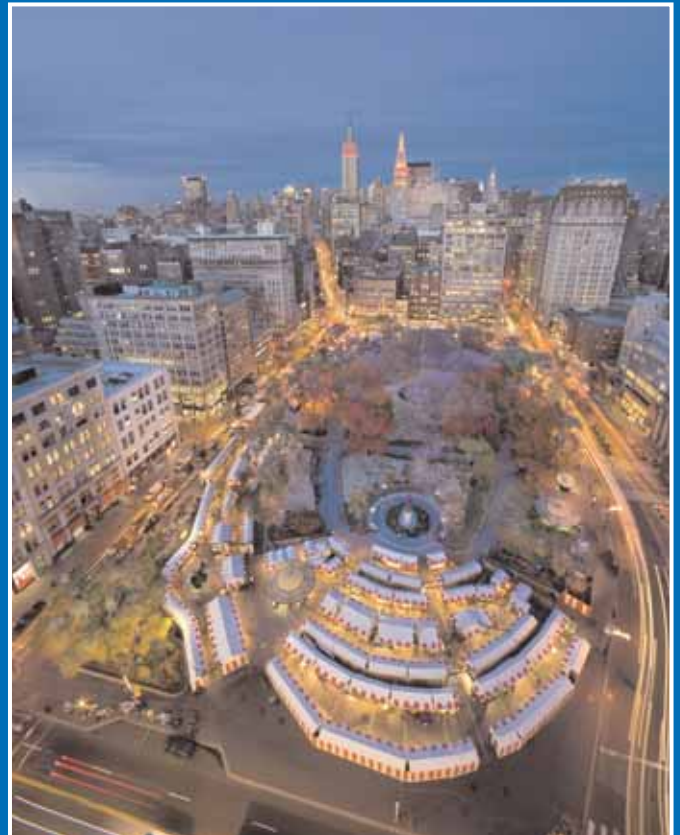
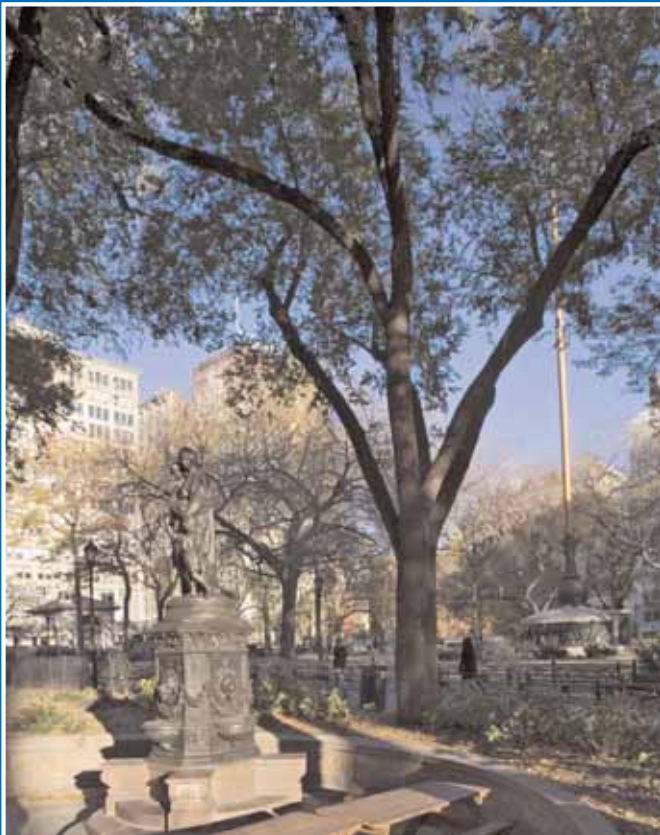


442 - 444 - 446 - 448 - 450
EAST 20TH STREET

NEIGHBORHOOD OVERVIEW



- Manhattan's largest apartment complex, rivaling the size of the city's most prominent suburbs, with approximately 20,000 residents.
- Prime East River location provides both breath-taking views and unmatched recreational amenities provided by the East River Esplanade.
- PCV/ST is surrounded by the city's most popular and stylish residential neighborhoods, including Gramercy Park, Union Square, the East Village and Madison Square Park.
- Proximity and easy access to major corporate, medical, international, educational and commercial centers provides a diverse demand base for residents at the complex.
- Within walking distance of the city's chicest shopping, trendiest nightlife, and finest dining establishments including 7 of Zagat's top ten most popular restaurants.



OVERVIEW

Peter Cooper Village/Stuyvesant Town is Manhattan's largest apartment complex, an entire neighborhood unto itself set on 80 acres. With over 11,200 housing units and a population of approximately 20,000 people, PCV/ST rivals the size of many of New York City's most prominent suburbs, including Rye, Scarsdale, Bedford and Garden City. This self-contained "city within a city" provides a comprehensive array of neighborhood amenities to its vibrant population of families and professionals, including 15 playgrounds, 6 parking garages, walkways and manicured gardens, 24-hour patrolled security, fee storage facilities, concierge service, a community center, and approximately 117,000 square feet of convenience-oriented retail and professional office space.



Public schools in the vicinity are known as some of the City's best, and the Complex's irreplaceable location along the East River provides spectacular views and a host of recreational amenities. Subway service can be accessed directly from the southwest corner of Stuyvesant Town, and the Complex is strategically located within easy walking distance of the NYU/Bellevue medical corridor, the many corporate headquarters that surround Madison Square Park, and the major educational institutions in the neighborhood. The Complex is also surrounded by some of the City's most popular and trendy residential neighborhoods, including Gramercy Park, Kips Bay, the East Village, and Union Square. These neighborhoods provide the critical mass of affluent residents to support the comprehensive array of dining, shopping, and entertainment amenities in the vicinity.

When viewing Manhattan from the air, only Central Park presents a more visible presence than PCV/ST. Stretching from 14th Street to 23rd Street, the massive Complex covers ten city blocks and is over four times larger than the United Nations Headquarters, five times larger than Lincoln Center, and twenty times larger than Union Square Park. This tremendous size allows a level of autonomy unmatched elsewhere in Manhattan, creating a serene suburban enclave in the heart of New York City. This unique synergy of family-friendly tranquility and exceptional urban convenience explains the long-term popularity of PCV/ST and paves the

way for its ongoing transition to a market rate master community.

Current ownership has embraced the unique competitive advantages of PCV/ST through a comprehensive maintenance and strategic renovation program that continues today. The Complex's tremendous size allows an unmatched level of control and lends itself to out-of-the-box improvement strategies that might include combining apartments and the addition of an elite private elementary school in order to attract more families, the creation of high-end assisted living facilities, the conversion of a portion of the Complex to home ownership, as well as expansion of the retail amenities as the Complex moves away from its predominantly rent stabilized status. All of these suggested improvements would enhance this spectacular "city within a city" and fully leverage its position as Manhattan's largest and most compelling residential complex.

DIVERSE DEMAND BASE

Many of New York's most prominent institutions surround PCV/ST creating a tremendous demand-base for residential accommodations, allowing area doctors, diplomats, academics, and business people to enjoy the supreme convenience of being able to walk to work. An overview of these major sources of demand is given below:

MEDICAL DISTRICT Immediately to the north of Peter Cooper Village, a vast complex of medical facilities stretches along the FDR Drive from 23rd Street to 34th Street. Components of this medical complex include The New York University Medical Center, Bellevue Medical Center, The Veterans' Administration Medical Center, the Tisch Hospital, the Rusk Institute of Rehabilitation Medicine, and Hunter College's Brookdale Health Center. Other nearby East Side medical facilities include Beth Israel Medical Center (17th Street), Cabrini Medical Center (20th Street),





the New York Eye & Ear Infirmary (14th Street), and the Hospital for Joint Diseases (18th Street). PCV/ST's close proximity to these institutions makes it an ideal residence for both doctors and staff, particularly given the long hours medical professionals typically work. The large population of doctors that make PCV/ST their home adds to the affluent flavor of the development, and the profusion of nearby medical facilities provides an important quality-of-life advantage for the Property's tenants. Highlights of these nationally ranked institutions include:

- NYU Medical Center, located seven blocks north of Peter Cooper Village, employs over 5,000 people. The Center was ranked among the nation's 50 best hospitals in six areas: Geriatrics, Gynecology, Neurology & Neurosurgery, Rheumatology, Urology, and Psychiatry.

- Bellevue Medical Center, located between 26th and 29th Streets, is just three blocks north of Peter Cooper Village and employs over 4,600 full-time professionals.
- Beth Israel Medical Center, located across the street from Stuyvesant Town between 16th and 17th Streets on First Avenue, is made up of four branches: the Petrie Division, the Singer Division, the Phillips Ambulatory Care Center and the Kings Highway Center. Beth Israel employs over 7,400 medical professionals.

EAST RIVER SCIENCE PARK The neighborhood's status as New York's leading medical hub will be further enhanced by exciting new developments in the biomedical technology sector. Mayor Bloomberg spearheaded a bioscience initiative in 2002 in an effort to draw additional research and development firms to New York, paving the way

for the East River Science Park (ERSP), which will be located east of First Avenue between 28th and 29th Street. A lease for the ERSP has been finalized, with construction expected to begin by the end of 2006 and the first building ready for occupancy by early 2008. This private development will be built in three phases by Alexandria Real Estate Equities, Inc. and will eventually include more than 870,000 square feet of office and laboratory space. The ERSP will create 2,000 permanent new jobs just five blocks north of Peter Cooper Village, significantly enhancing the already strong demand from the medical sector for convenient accommodations at PCV/ST.

MADISON SQUARE PARK CORPORATE CAMPUS Located just four blocks west of PCV/ST, the corporate headquarters facilities that now define the Madison Square neighborhood provide an enormous professional demand base for accommodation at the Complex. Corporate powerhouses headquartered in the neighborhood include Credit Suisse, New York Life Insurance Company, The Reed Elsevier Group, EMI, Ziff Davis, and Consolidated Edison. Professionals who work for these firms and the companies that support them have an easy walk to PCV/ST, as do the growing number of employees working around Union Square.

UNITED NATIONS HEADQUARTER COMPLEX In addition to the medical and corporate professionals in the vicinity, the United Nations Headquarters Complex creates a recession-proof source of demand less than a twenty minute walk north of PCV/ST. Stretching from 42nd Street to 48th Street along the East River, the UN headquarters employs more than 3,300 people. The relationship between PCV/ST and the United Nations is further enhanced by the immediate proximity of The United Nations International School (UNIS), just to the north of Peter Cooper Village. UNIS is a private K-12 facility, providing an exceptional education to over 1,300 students, the majority of whom have parents who work for the UN. The school offers families who live in PCV/ST the unique

opportunity to walk their children to school and then continue on to their offices at the United Nations.

MAJOR EDUCATIONAL INSTITUTIONS

There are many major educational institutions in the vicinity of PCV/ST, including Baruch College, the School of Visual Arts, and the NYU School of Medicine. These well known schools attract both students and professors into the neighborhood, adding to the demand base for apartments at the Complex. PCV/ST is also convenient to Cooper Union (located in the East Village at Astor Place), Friends Seminary (located on 16th Street between Second and Third Avenues), and NYU's main campus surrounding Washington Square Park.

Baruch College is one of the component institutions that make up the City University of New York ("CUNY"), with a



The Cooper Union for the Advancement of Science and Art



student body of 15,000. Baruch's campus is spread among buildings located between 18th and 25th Streets, from Lexington to Second Avenues. The school recently completed a 20-story building located at Lexington Avenue and 25th Street, which will serve as the college's primary facility.

The School of Visual Arts (SVA) is the largest independent undergraduate arts school in the United States and offers a variety of graduate and continuing education programs. Located on 23rd Street between Second and Third Avenues, SVA is a neighborhood icon, lending an artistic flair to the area. SVA also provides an important amenity for residents of PCV/ST who have an interest in learning the arts.

The NYU School of Medicine is located just two blocks north of Peter Cooper Village, utilizing the Bellevue Hospital for student training. The school has held a place as one of the nation's leading centers of advanced biomedical learning for more than 160 years, excelling in the education and training of physicians, patient care, and scientific research. Located

on the doorstep of PCV/ST, the NYU School of Medicine provides significant additional local demand from the medical sector. The NYU student trolley makes a stop adjacent to Stuyvesant Town at First Avenue and 16th Street, making PCV/ST exceptionally convenient for students attending any of NYU's many facilities.

NEARBY RESIDENTIAL NEIGHBORHOODS

While PCV/ST is indeed a neighborhood unto itself, it is important to note that the Complex is surrounded by some of Manhattan's most established and popular residential neighborhoods, including Gramercy Park, Kips Bay, the East Village, and Union Square. A critical mass of residents in the area has fostered the development of a wide range of neighborhood amenities, including prestigious schools, fine restaurants, exciting entertainment venues, and a myriad of retail options. This abundance of amenities surrounds PCV/ST to the north, south, and west, seamlessly integrating the Complex's peaceful atmosphere with the excitement of

central Manhattan. Highlights of these trendy and prestigious neighborhoods are given below:

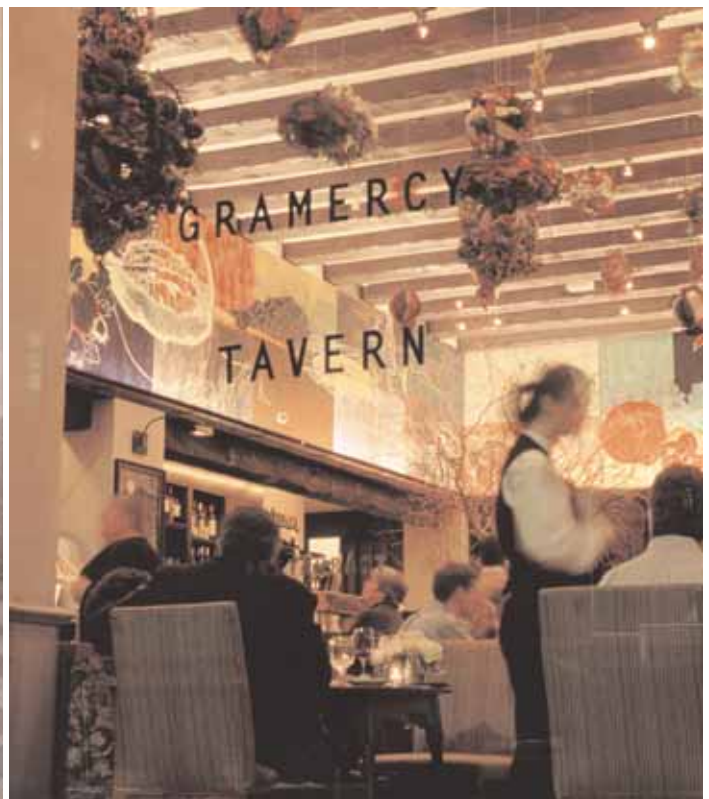
GRAMERCY PARK Bordering PCV/ST to the west is the fashionable Gramercy Park neighborhood. Gramercy Park has been recognized as one of the City's most desirable and attractive neighborhoods for more than 150 years.

Gramercy Park boasts a high concentration of trend setting restaurants and bars. A survey of popular restaurants in the vicinity includes Angelo & Maxie's, Blue Water Grill, Bolo, Eleven Madison Park, Gramercy Tavern, Mesa Grill, Patria, Republic, Tabla, Union Pacific and Union Square Café. Pete's Tavern is also a local favorite, touted as New York's oldest surviving bar. This concentration and variety of fine restaurants is exceptional, even by New York City standards, and adds tremendously to the urban experience for the nearby residents of PCV/ST. This is particularly true for the increasingly affluent segment of the PCV/ST population that occupies the growing percentage of market rate units within the Complex.

Another benefit to PCV/ST is its proximity to the new heart of Off-Broadway. Notable members of this cutting-edge thespian community include the Daryl Roth Theatre, Gramercy Theatre, Union Square Theatre, Variety Arts Theatre, Vineyard Theatre, and Classic Stage Company. Even closer at hand, the New York Comedy Club is located just one block north of the Complex on 24th Street. The rich culture of live theatre within walking distance of PCV/ST provides a significant amenity for the tenants of the Complex.

KIPS BAY Located immediately to the north of Gramercy Park is Kips Bay. Traditionally known for its quiet and comfortable family-oriented atmosphere, Kips Bay has a new retail complex at Second Avenue and 30th Street housing a fifteen screen Loews Theater Multiplex and big box retailers including Borders Bookstore, Office Depot, and Petco. Within easy walking distance of PCV/ST, the new movie theater in particular provides a key neighborhood amenity.

EAST VILLAGE Located directly south of Stuyvesant Town, the East Village is recognized as both trendy and edgy;





the East Side's answer to the Meat Packing District. For more than 100 years, the East Village has been one of the strongest contributors to American arts and culture in the nation. The East Village art gallery scene helped to galvanize modern art in America, with such artists as Keith Haring, Jean-Michel Basquiat and Jeff Koons all exhibiting in the neighborhood. The neighborhood has also been a center of literary and theatrical creativity, with notable venues that include the Nuyorican Poets Café and Astor Place Theatre (home of the Blue Man Group). Highlights of the neighborhood's cultural landmarks include St. Marks-in-the-Bowery Church, New York Marble Cemetery, Colonade Row, Ottendorfer Library, and Cooper Union for the Advancement of Science and Art. The low-rise residential feel of the East Village is protected by some of the City's strictest zoning laws, permanently protecting PCV/ST's sun-drenched southern exposure.

UNION SQUARE Located south and west of Gramercy Park, the Union Square neighborhood provides key dining, retail, entertainment, and transportation amenities to the residents of PCV/ST. Union Square Park

hosts New York City's largest greenmarket, various holiday festivals, street performances, and Harvest on the Square, the annual food festival showcasing the neighborhood's spectacular range of culinary delights. Whole Foods recently opened its first multi-level gourmet grocery store on the south side of the park, an instant favorite which is already attracting more than 100,000 visitors per week. Whole Foods is joined by other purveyors of fine foods in the neighborhood, including Garden of Eden and a new Trader Joe's on 14th Street between 3rd and 4th Avenue.

EAST RIVER RECREATIONAL AMENITIES

The East River Esplanade passes along PCV/ST's eastern flank, providing its residents with unfettered access to biking, rollerblading, running, and walking along the river. The East River Esplanade is part of the Manhattan Waterfront Greenway (a 32 mile path which encircles Manhattan). Recently the Department of City Planning (DOCP) began an extensive program to redevelop the entire Greenway. Stuyvesant Cove, which is an integral component of the Esplanade from East

23rd Street to East 25th Street, was recently upgraded as part of this redevelopment project. This stretch of the esplanade is immediately north of PCV/ST and includes bicycle paths and walkways separated by greenery and benches. The Con Edison Baseball Fields at 16th Street and Avenue C, home to Stuyvesant Town's own little league, further augments the existing recreational activities along the East River.

FITNESS CLUBS

Conveniently located on 14th Street, across from the PCV/ST complex, the Sol Goldman YMCA provides modern fitness facilities to the area's residents. With a full size pool, basketball court, fitness rooms and a variety of group exercise programs, the center is an invaluable convenience. New classes specializing in children's fitness and pre- and post-natal yoga are specially geared to the growing number of families in the area. In addition to the YMCA, New York Sports Club (NYSC) and Equinox have facilities in the Union Square area, a short walk from the Complex.

RETAIL AMENITIES

For residents of PCV/ST, the first stop for convenient shopping is the Complex itself. Offering approximately

117,000 square feet of service-oriented retail shops and professional office space, residents can currently find the basic neighborhood conveniences, including groceries, banking, dry cleaning, movie renting, and shopping for electronics and games. National apparel retailers within the Complex include Footlocker, Payless Shoes, and Strawberry's, while national food and beverage chains include Dunkin Donuts, Starbucks, and Tasti D-Lite.

First Avenue is experiencing a notable improvement from a retail perspective, a direct result of the increasingly affluent population of PCV/ST. Examples include the recent opening of Zagat-rated Petite Abeille and an anticipated Mexican restaurant next door operated by the same owners. A sushi restaurant is also completing its renovation on the south side of 20th Street and First Avenue.

Beyond the actual perimeter of PCV/ST, additional retail options abound. 14th Street, 23rd Street, Second Avenue, and Third Avenue are all heavily populated with convenience-oriented retailers serving the local residential community. Plentiful grocers and delicatessens, laundromats, hardware stores, tailors, video stores, drug



stores, beauty salons, opticians, photo shops, coffee shops, and fast food restaurants define these neighborhood thoroughfares. For larger purchases, Union Square is a walk or subway ride away. Big name retailers that front Union Square include Barnes & Noble, a flagship Circuit City, Diesel, DSW, Filene's Basement, Forever 21, Petco, Staples, Toys-R-U's, a 16 screen United Artists Cineplex, Virgin Megastore, and a Whole Foods.

TRANSPORTATION

The PCV/ST community is well serviced by public transportation networks including subways and buses. The L Train can be accessed directly adjacent to the Complex, at 14th Street and First Avenue. The Union Square Subway hub is just two stops away, providing access to the N, Q, R, W, 4, 5 and 6 Trains. The 4 and 5 Trains are of particular importance, providing express Uptown and Downtown service including direct one-stop access to Grand Central Terminal. Convenient bus service includes cross-town service along 14th Street (14A and 14D) and 23rd Streets (M23, which circumnavigates Peter Cooper Village as part of its route). North/south bus service along First Avenue, Avenue A, and Avenue B is provided by the M9 and M15.

In addition to public transportation, PCV/ST is conveniently accessible by car and offers 6 parking garages, with a total of 2,260 spaces. As the Complex continues to make its transition to a market rate master community, additional services, such as a dedicated Union Square shuttle service, might be considered by new ownership.

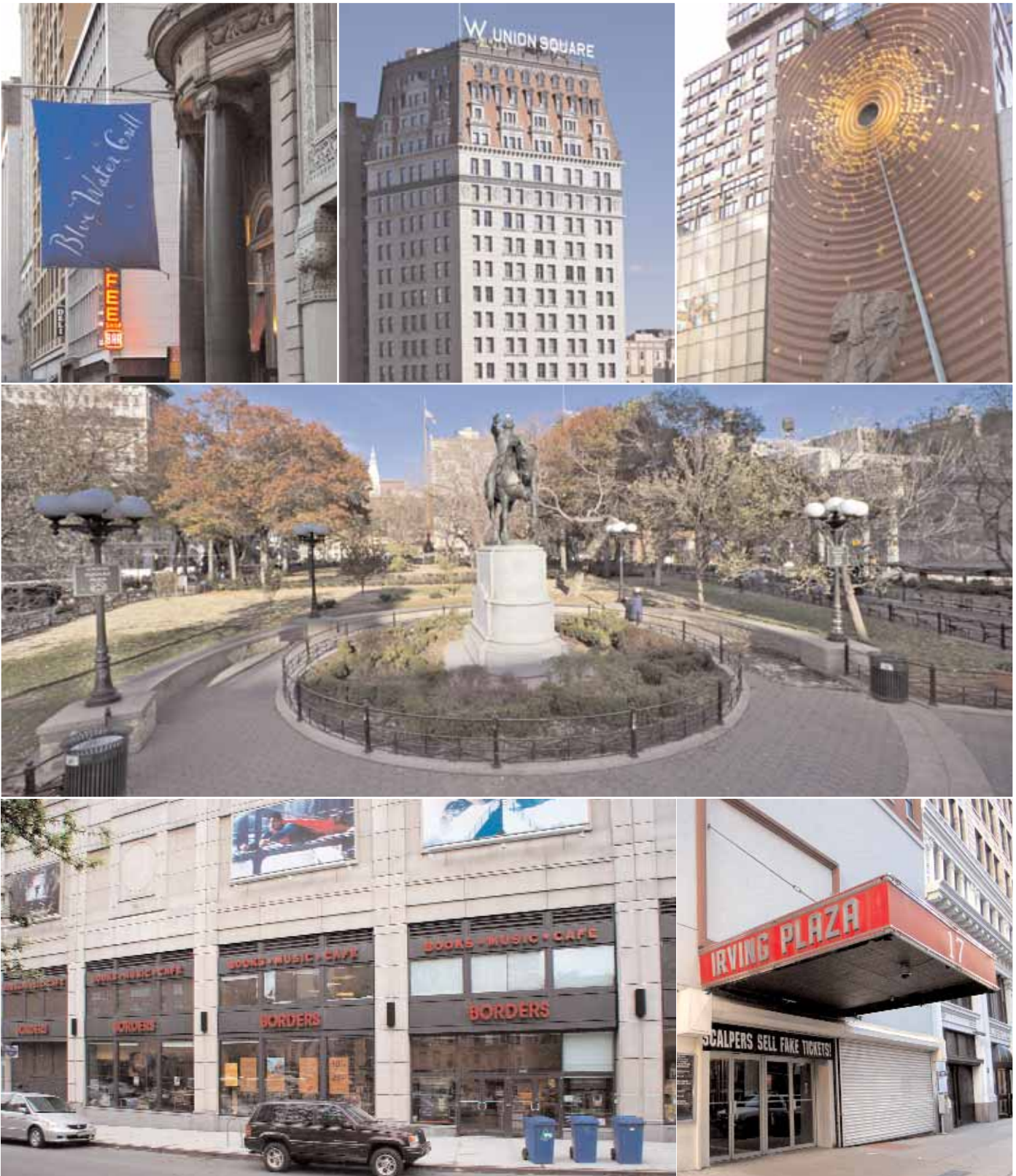
CONCLUSION

Offering 80 acres of mature shade trees, meandering pathways, playgrounds, and unobstructed river views, Peter Cooper Village / Stuyvesant Town is one of the most pleasant places to live in New York City. With over 11,200 residential units, PCV/ST is Manhattan's largest apartment complex, a suburban enclave unto itself. This "city within a city" provides its residents with a unique sense of community and a comprehensive range of on-site resident amenities. The Complex's close proximity to nearly a dozen leading medical institutions, the prominent Madison Square business district, the United Nations, and several major educational facilities creates an enormous demand base for residential accommodation. Connected to Manhattan's vast transportation network and surrounded by some of the City's most desirable residential neighborhoods, the tenants of PCV/ST can effortlessly access the impressive array of retail, dining, and entertainment venues in the area while remaining pleasantly removed from the bustle of Manhattan life.

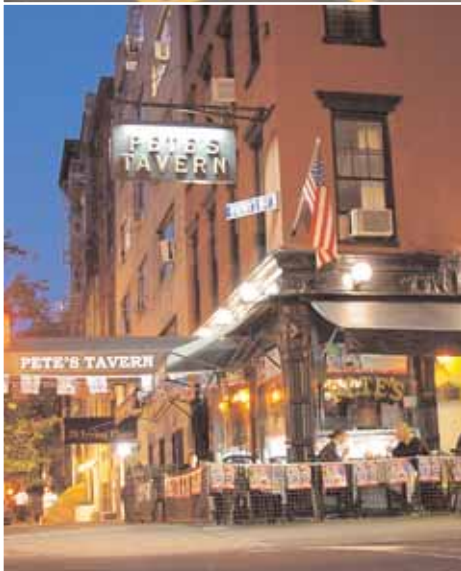
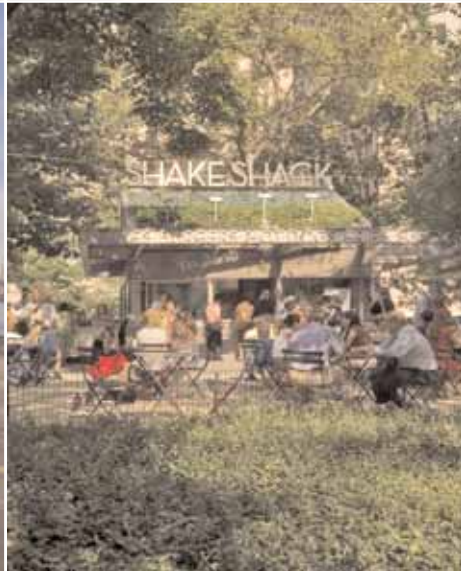




NEIGHBORHOOD OVERVIEW



NEIGHBORHOOD POINTS OF INTEREST



RESTAURANTS

Angelo & Maxie's
The Barking Dog
Blue Water Grill
Bolo
Candela
Domenicos
El Rio Grande
Eleven Madison Park
Gramercy Tavern
Icon
Josie's Restaurant
Mesa Grill
Moonstruck Diner
Nicola Paone
Park Avalon
Patria
Pete's Tavern
Rare Bar & Grill
Republic
Rive Gauche
Tabla
Union Pacific
Union Square Café
The Water Club

HOTELS

Affinia Dumont Plaza
Deauville Hotel
Doral Park Avenue
Envoy Club
Giraffe Hotel
Gramercy Park Hotel
Helmsley Hotel
Hotel Bedford
Hotel Giraffe
Hotel 31
Inn at Irving Place
Kitano Hotel
Madison Towers Hotel
Millenium UN Plaza
Murray Hill East Hotel
Seton Hotel
Shelburne Murray Hill
Sheraton Park Avenue
Tudor Hotel
W Court
W Tuscany
W Union Square

RETAILERS & SERVICES

Ann Taylor
Banana Republic
Barnes & Noble
Borders Books
Circuit City
Crunch Fitness
(800) Flowers.com
Food Emporium
Foot Locker
Greenpoint Bank
Gristedes
J. Crew
New York Sports Club
Office Depot
Petitte Abeille
Petco
RiteAid
Simons Hardware
Staples
Starbucks
Todaro Specialty Foods
Whole Foods
Virgin Megastore

RESIDENTIAL

The Anthem
The Churchill
The Corinthian
Eastbridge Landing
The Future
The Highpoint
The Horizon
Kips Bay Tower Apartments
Marborough House
Manhattan Place
The Montrose
Paramount Tower
Post Luminaria
Rivergate
Rutherford Place
The Sonoma
Sniffen Court
The Sycamore
Tudor Tower
United Nations Plaza
The Vanderbilt

HOSPITALS & MEDICAL

Bellvue School of Nursing
Beth Israel Medical Center
Cabrini Medical Center
Hospital for Joint Diseases
Hunter College Brookdale Center
New York Eye & Ear
New York Public Health Dept. Labs
NYU (School of Medicine, Dental Center, Tisch Hospital)
Orthopedic Institute
Veterans Administration Medical Ctr.

CULTURE & ENTERTAINMENT

Center for Engaged Buddhism
Daryl Roth Theater
East River Esplanade
Gramercy Park (Private)
Gramercy Theater
Irving Plaza
Lowe's Theater
Robert Moses Park
New York Comedy Club
Repertorio Español
Stuyvesant Square
Union Square Theater
St. Vartan's Cathedral & Park
Tudor Park
Variety Arts Theater
Vineyard Theater

EDUCATION

Baruch College
Cooper Union
New York University
Police Academy
School of Visual Arts
United Nations School
Yeshiva University

TRANSPORTATION

Express Wall Street Bus
FDR Drive
Grand Central Terminal
MTA Buses: 9, 14, 15, 16, 21, 23
MTA Subway: 4, 5, 6, L
NY Waterway Ferry
Queens Midtown Tunnel
34th Street Heliport

MARKET ANALYSIS



- Strategically positioned between Manhattan's three major business districts.
- Comprehensive capital improvements are in the process of reinvigorating and transforming the Complex into New York City's premier residential community.
- Manhattan's thriving economy bodes well for the city's residential markets and PCV/ST's future, contributing to the less than 2% availability the Complex currently enjoys.
- Manhattan's current rental "housing emergency" has created an intense demand for well-located rental accommodations and resulted in soaring rents.
- PCV/ST has the potential to exceed current market rate averages due to the property's inimitable advantages, including spacious layouts, pre-war features, no abutting buildings, and easily combinable units.



OVERVIEW

Peter Cooper Village and Stuyvesant Town are unlike anything else in Manhattan, providing residents with an 80-acre urban oasis of security, convenience, and pastoral serenity. It is fitting that Peter Cooper is called a "village" and Stuyvesant a "town"; they include more than 11,200 housing units between them, with a population of approximately 20,000 people. As Manhattan's largest apartment complex, PCV/ST provides its residents with their own self-contained community, a peaceful and private respite from the rest of the City.

The Complex offers convenient access for professionals throughout Manhattan who make it their home. PCV/ST is strategically positioned midway between the Midtown and Downtown business districts, both of which can be reached via express subway service from nearby Union Square. PCV/ST is within walking distance of five major hospitals, the Midtown South office corridor, the United Nations, and several prominent educational institutions. This diverse

roster of major employers is currently registering significant payroll growth, ensuring that demand for convenient market rate accommodations at PCV/ST will continue to outstrip available supply. Indeed, the Complex-wide vacancy rate of less than 2% (which includes dozens of units in the midst of renovation) illustrates the popularity of this tranquil and family-friendly community.

The popularity of Stuyvesant Town and Peter Cooper Village is nothing new. Built for MetLife in 1947 on the former estate of Peter Stuyvesant, the original mission of the Complex was to provide housing for veterans returning to New York City from World War II. By the time PCV/ST was completed, more than 200,000 people had applied for apartments. During the years that followed, PCV/ST became one of the most cherished and well-known residential communities in Manhattan, an established "brand" that is immediately recognized throughout the New York City metropolitan region. This penetrating name recognition is





one of the Complex's most valuable assets; a marketing advantage that separates itself from the competition.

The passage of Rent Stabilization laws led to the long term occupancy by many of these residents, affecting the owner's ability to transform and evolve with new market demands. The Rent Regulation Reform Acts of 1993 and 1997, which included the adoption of more equitable rules regarding luxury decontrol, succession rights, vacancy increases, and increases resulting from apartment renovations, encouraged current ownership to begin moving PCV/ST away from its traditional rent stabilized status. Building on the Complex's proud history, current ownership, through the benefit of market rate decontrol, has begun a transformation that will ultimately result in PCV/ST's evolution into Manhattan's premier market rate residential community. To date, approximately 27% of the units have become deregulated.

The transformation of PCV/ST has been aided immensely by current ownership's substantial investment of capital resources, \$168 million has been spent on infrastructure

improvements which include roof replacements, electrical upgrades, elevator modernizations, window replacements, playground renovations, fountain and Oval improvements, and landscape upgrades. In addition to these Complex-wide improvements, current ownership has invested an additional \$109 million in the renovation of individual market rate units. Averaging between \$40,000 to \$50,000 per unit, these spectacular renovations have brought the Complex's market rate apartments up to modern residential expectations. As an increasing percentage of the Complex's units become deregulated and modernized over the coming years, the overall demographics of PCV/ST will continue to evolve and mature.

From the point of view of new ownership, PCV/ST is an 80-acre canvas that can be painted in a myriad of ways. As the PCV/ST population evolves in response to deregulation, ownership will have a unique opportunity to put their personal stamp on Manhattan's largest apartment complex. Possible creative strategies could include combining apartments for families, upgrading and expanding the retail,

including an elite private school, developing senior-friendly buildings, adding rooftop terraces, modernizing facades to select buildings, creating new entertainment amenities, or converting a portion of the Complex to a home ownership structure. All of these value-added strategies will help the Complex reach its full potential as Manhattan's leading market rate community.

STRONG, STABLE DEMAND DRIVERS

NEIGHBORHOOD DRIVERS

PCV/ST is strategically located in direct proximity to some of Manhattan's largest public and private institutional employers. These companies represent a broad spectrum of industries and serve as a growing source of demand for well-located market rate housing in the Complex. PCV/ST's historically high occupancy rate can be attributed to the high concentration of nearby professionals who all seek the convenience of walk-to-work living and the unique privacy, security, and suburban amenities of the Complex. Highlights of the major areas that support strong employment growth are given below:

EAST SIDE MEDICAL CORRIDOR New York University Medical Center, Bellevue Hospital Center, Cabrini Medical Center, and Beth Israel Medical Center are just a few of the major area employers which create an enormous recession-resistant source of demand for housing at PCV/ST.

EAST RIVER SCIENCE PARK East River Science Park (ERSP), a private biomedical research and development center, will create more than 2,000 permanent jobs five blocks from PCV/ST when it is built.

MIDTOWN SOUTH OFFICE MARKET With over 73 million square feet of office space from 14th Street to 34th Street, Midtown South is a thriving central business district in the Manhattan marketplace.



PARK AVENUE SOUTH / MADISON SQUARE PARK SUBMARKET Characterized by corporate headquarters for leading firms that include Credit Suisse, New York Life Insurance Company, The Reed Elsevier Group, EMI, Ziff Davis, and Consolidated Edison, this prominent business district is just a short walk from PCV/ST. Office net absorption was a positive 600,000 square feet for June alone, bringing thousands of additional workers to Midtown South and fueling the demand for quality housing in the area.

THE UNITED NATIONS HEADQUARTERS COMPLEX Located within walking distance of PCV/ST, the UN employs more than 3,300 diplomatic professionals and draws countless missions and Non-Governmental Organizations (NGO) into the area. The UN provides PCV/ST with yet another major source of recession-proof residential demand.

MAJOR EDUCATIONAL INSTITUTIONS Many of New York's most prominent educational institutions

are in the vicinity of PCV/ST, including New York University's main campus surrounding Washington Square Park, as well as Baruch College, the School of Visual Arts, and the NYU School of Medicine. These schools bring both students and professors into the neighborhood, adding to the demand base for apartments at the Complex, as well as lending a vibrant academic flavor to the area.

The table below lists a sampling of major area employers and institutions:

Employer / Institution	SF
Credit Suisse	2,630,397
New York Life	1,933,957
Consolidated Edison	1,722,363
Beth Israel Medical Center	585,591
The Reed Elsevier Group	457,093
Ziff Davis	196,671
NYU Medical Center	168,016
Total	7,694,088

School	Number of Students
NYU	30,699
Baruch College	15,500
School of Visual Arts	3,896
Total	50,095

MACROECONOMIC DRIVERS

Manhattan is the world's premier residential market, characterized by consistently high demand from buyers and renters wishing to live and work in the most cosmopolitan city in the world. According to Citi-Habitats, the rental market in Manhattan showed significant growth in 2005, a trend that has continued into 2006. Increased hiring, unprecedented Wall Street bonuses, and a super-heated sales market have all been contributing factors to the thriving real estate market. Highlights of Manhattan's thriving economy are given below:

FINANCIAL SECTOR GAINS The S&P 500 registered its third consecutive year of gains in 2005, reflected in the record breaking bonuses distributed to Wall

Street professionals. Major investment banks, such as Goldman Sachs and Morgan Stanley, handed out an astounding \$21.5 billion dollars in bonuses in early 2006, a historically strong indicator of the Manhattan real estate market.

EMPLOYMENT GAINS The total number of private sector jobs in NYC has reached more than 3 million, the highest since September, 2001. In fact, 5,700 new jobs were created in May, 2006 alone, on top of the 5,000 new jobs created in April. Overall, 57,500 new private sector jobs have been created over the past year, with citywide unemployment at the lowest level recorded since July, 1988.

WAGE GAINS High-wage employment in Manhattan is increasing at a faster rate than overall job growth, creating additional income that can be applied to housing. While general employment is expected to grow by 7.3% by 2012, the majority of this growth will be concentrated in high paying business/financial (11.2% growth) and legal (10.9% growth) industries.

MANHATTAN RENTAL MARKET

The macro economic factors described above are translating directly into a flourishing Manhattan residential rental market. Demand for well-located rental accommodations such as PCV/ST significantly exceeds supply, resulting in increases in prevailing rental rates. Key components of this accelerating market are given below:

- The overall vacancy rate for rental apartments in Manhattan was just 0.43% in May, 2006. This is less than one tenth of the 5% vacancy rate traditionally used to define a "housing emergency" in Manhattan.
- The average overall monthly rent for a Manhattan One-Bedroom apartment reached \$2,516 during the first quarter of 2006. This represents a 9% increase over the first quarter of 2005.
- Market consensus is that average overall rents will rise an average of 10-15% per year through 2008

UNIT SUMMARY AS OF 7/31/06

PETER COOPER VILLAGE	1 BR	2 BR	3 BR	4 BR	5 BR	Totals
# of Units	1,210	1,252	20	1	0	2,483
# of Rent Stabilized Units	792	969	17	1	0	1,779
% Rent Stabilized	31.9%	39.0%	0.7%	0.0%	0.0%	71.6%
# of Market Rate Units	418	283	3	0	0	704
% Market Rate	16.8%	11.4%	0.1%	0.0%	0.0%	28.4%

STUYVESANT TOWN	1 BR	2 BR	3 BR	4 BR	5 BR	Totals
# of Units	4,534	3,725	452	1	37	8,749
# of Rent Stabilized Units	3,166	2,836	383	0	31	6,416
% Rent Stabilized	36.2%	32.4%	4.4%	0.0%	0.4%	73.3%
# of Market Rate Units	1,368	889	69	1	6	2,333
% Market Rate	15.6%	10.2%	0.8%	0.0%	0.1%	26.7%

PCV/ST COMBINED	1 BR	2 BR	3 BR	4 BR	5 BR	Totals
# of Units	5,744	4,977	472	2	37	11,232
# of Rent Stabilized Units	3,958	3,805	400	1	31	8,195
% Rent Stabilized	35.2%	33.9%	3.6%	0.0%	0.3%	73%
# of Market Rate Units	1,786	1,172	72	1	6	3,037
% Market Rate	15.9%	10.4%	0.6%	0.0%	0.1%	27.0%

and continue to rise 5-8% during the 2009-2010 period.

- Manhattan's housing emergency is exacerbated by the approximately 10,625 rental units lost to condominium conversion since 2002. This loss is roughly the equivalent to the entire PCV/ST complex.
- Studios and One-Bedroom apartments comprise 80% of the Manhattan rental market, with One-Bedrooms accounting for almost 50% of the units rented during 2005. This statistic bodes well for PCV/ST (approximately 51% of the units in the Complex are One-Bedrooms). It also suggests the possibility of combining apartments into larger units in order to target other, under-served market segments. The layout of units at Stuyvesant Town in particular promotes efficient combinations to create larger apartments, a particularly sensible strategy given the exceptionally family-friendly atmosphere of the Complex.

GRAMERCY PARK/EAST VILLAGE SUBMARKETS

The trend towards removal of rental inventory due to condominium conversion is well-documented in the Gramercy Park/East Village submarkets. Since 2003, almost 2,000 rental units were either removed or are pending Attorney General approval for conversion. On page 63 is a sampling of the largest conversions in the area.

The two key factors of decreasing rental inventory and growing demand are driving rental rate increases within the Complex. The table on page 64 surveys recent signed leases for market rate units at PCV/ST in the last year.

Despite these impressive increases, rents at PCV/ST remain well below the prevailing market rates in the area. The table on page 65 lists recent competitive leases in the neighborhood, highlighting the tremendous upside in this investment opportunity.

The competitive market rents listed on page 65 are by no

means beyond the reach of PCV/ST. In fact, the Complex's unique size, privacy, security, and resident amenities should allow it to outperform other properties in the vicinity, particularly as PCV/ST's market rate transformation continues. By completing the capital improvement plan currently underway and adding new amenities in a targeted fashion, new ownership can leverage the inherent competitive advantages of the Complex to capitalize on the Manhattan rental market's acceleration.

MANHATTAN CONDOMINIUM MARKET

While PCV/ST is perfectly positioned to become the City's most successful market rate rental community, it may be financially lucrative to convert a portion of the Complex to home ownership as condominiums. Although the rental market is expected to show robust growth in the coming years, the spectacular gains already achieved by the residential condominium market have set pricing benchmarks that could play a crucial role in the overall investment strategy for this acquisition. Specifically, offering home ownership for a portion of the Complex would allow new ownership to quickly recover some of their initial capital investment, significantly increasing leveraged returns. A review of the Manhattan condominium market is given below:

- Despite a moderation in the rate of growth, the New York City condominium market remains strong. All price indicators set records this July, with gains since last quarter.

- According to the latest Market Report produced by Douglas Elliman, the average price per unit increased 5.2% to a record \$1,386,193 over the prior quarter.
- The average sales price per square foot increased 14.0% over the prior year to \$1,105. This represents a 2.0% increase since last quarter's record high of \$1,083 per square foot.
- Condominiums continue to be the most popular form of new housing in Manhattan.

A survey of recent condominium sales in the vicinity of PCV/ST is presented on page 67, illustrating the strength of the local market.

If executed properly, a targeted condominium conversion could achieve sell-out pricing, exceeding the competitive sales listed on page 67. The buildings in the area do not offer the amenities and conveniences of PCV/ST, such as onsite garages, open recreation areas, sweeping river views and an unmatched sense of both privacy and security. The majority of condominiums available in the vicinity are older buildings under ten stories, with views that pale in comparison to those of PCV/ST. Most of the surrounding condominium buildings do not have doorman service and few, if any, have the advanced key card security system recently implemented in PCV. Furthermore, the availability of on site parking is a true luxury anywhere in Manhattan. Due to these amenities alone, home ownership at PCV/ST would clearly be a superior choice

RENTAL UNITS REMOVED FROM MARKET

Year	Project Name	Address	Units (Units increased 25% for Conversion from Rental)
2003	Devon	333 East 34th Street	269
2006	254 Park Avenue South	254 Park Avenue South	265
2006	30 East 37th Street	30 East 37th Street	130
2007	Park East Tower	240 East 27th Street	405
TOTAL			1,069

RENTAL COMPARABLES IN THE COMPLEX

Apartment/ Type	Lease Signed	FM Rent	FM Rent PSF	Rent Increase*
STUYVESANT TOWN				
12-D (Bldg. 451) - 1 BR	Jan-06	\$2,675	\$46.19	17%
10-A (Bldg. 410) - 2 BR	Jan-06	\$3,225	\$44.59	20%
2-H (Bldg. 11) - 1 BR	Mar-06	\$2,650	\$45.75	16%
8-D (Bldg. 270) - 2 BR	Mar-06	\$3,400	\$47.00	27%
11-E (Bldg. 451) - 1 BR	Jun-06	\$2,700	\$46.62	18%
M-G (Bldg. 9) - 2 BR	Jun-06	\$3,400	\$47.00	27%
PETER COOPER VILLAGE				
5-H (Bldg. 4) - 1 BR	Jan-06	\$2,875	\$39.84	16%
14-B (Bldg. 350) - 2 BR	Jan-06	\$4,200	\$44.37	26%
12-D (Bldg. 360) - 1 BR	Mar-06	\$3,100	\$42.97	25%
12-C (Bldg. 390) - 2 BR	Mar-06	\$4,250	\$44.89	27%
9-A (Bldg. 350) - 1 BR	Jun-06	\$3,150	\$43.64	27%
6-C (Bldg. 370) - 2 BR	Jun-06	\$4,200	\$44.37	26%

* Increase from June 2005 average. For Stuyvesant Town, this was \$2,285 for 1BRs, \$2,683 for 2BRs, \$3,711 for 3BRs. For Peter Cooper Village, this was \$2,485 for 1BRs, \$3,337 for 2BRs.

to the large majority of condominium options in the city.

RETAIL PLAY

PCV/ST currently has approximately 117,000 square feet of retail and professional office space, the equivalent of a small mall. Due to the rent stabilized status of the Complex, retailers have been convenience oriented stores. Examples include grocery stores, banks, cleaners, delicatessens, a cafe, a drug store, clothing shops, shoe stores, video rental outlets, electronics shops, and restaurants. This diverse array of retailers has been a staple of the Complex.

MANHATTAN RETAIL MARKET In recent years, the area surrounding Peter Cooper Village and Stuyvesant Town has evolved into a major shopping destination by combining big box national retailers with trendy specialty shops and clothiers. The Union Square neighborhood best exemplifies this transformation. Big name retailers in Union Square include Barnes & Noble, a flagship Circuit City, Diesel, DSW, Filene’s Basement, Forever 21,

Petco, Staples, Toys-R-Us, a 16 screen United Artists Cineplex, Virgin Megastore, and a Whole Foods. The district’s popularity matches SoHo and outperforms other trendy Downtown areas, including Bleecker Street and West Village. Average rents for these popular areas are illustrated next.

**SHOPPING DISTRICT
AVERAGE RETAIL RENT (PSF)**

Union Square	\$300 - \$325
SoHo	\$200 - \$250
Bleecker Street/ West Village	\$125 - \$200

PCV/ST RETAILERS With 27% of the Complex’s units already decontrolled, the transformation of adjacent First Avenue has already begun. High-caliber newcomers include the Zagat-rated Petite Abeille, a new Mexican restaurant next-door called Vamos and Fushion Sushi on the south side of 20th Street and 1st Avenue currently under construction.

Value-add Options: New ownership could gradually adjust the mix of retailers within the Complex to meet the tastes of PCV/ST's sophisticated population. Manhattan's other wealthy and popular neighborhoods could be used as a guide, with possible new additions that might include gourmet food purveyors, home décor shops, a "day spa" or salon, boutique baby shops, designer clothing, and additional high-end dining. As demand for upscale services increases, new ownership may consider expanding the Complex's retail component.

THE GARAGES

The Complex includes six separate underground self-park facilities with a total capacity of 2,260 cars. On-site parking facilities, while common to suburban residential communities, are rare within the Manhattan market. Convenient parking continues to create an enormous competitive advantage for the Complex and a secure source of income for new ownership. Enjoying captive demand from the Complex's resident population, four of these parking facilities are currently at 100% capacity. This is in spite of the fact that the majority of the Complex is stabilized and rent stabilized tenants are less likely to own a car than a market rate resident. As the PCV/ST demographic changes, demand

for parking will significantly exceed capacity, putting upward pressure on monthly rates. Further, with combined apartments allowing additional family tenancy, garage occupancy and rates will spike with oversized vehicles producing premiums. More affluent residents and families will also attract visitors, producing additional hourly parkers. The creation of a transportation service could also draw daily parkers for the myriad of hospitals, corporations and schools nearby. A survey of garages surrounding PCV/ST illustrates that parking at the Complex is substantially underpriced, illustrating the upside potential inherent in the garage component of this investment.

Garage Address	Monthly Rates	Daily Rates	Hourly Rates
Six Stuyvesant Town Garages	\$329	\$25-30	n/a
333 East 14th Street	\$510	\$40	\$18/hr
211 East 18th Street	\$450	\$28	n/a
130 East 18th Street	\$444	\$24	\$11/hr
329 East 22nd Street	\$400	\$35	\$16/2hr
301 East 22nd Street	\$400	\$32	\$16/hr
329 East 21st Street	\$400	\$32	\$14/hr
318-322 East 23rd Street	\$390	\$35	\$14/hr
245 East 19th Street	\$390	\$34	\$24/12 hr

RENTAL COMPARABLES

Address	BRs	SF	Asking Rent	Annual Sq. Ft.	# of Units	Stories
385 First Avenue (Post Luminaria)	1	730	\$4,280	\$70.36	138	20
385 First Avenue (Post Luminaria)	1	730	\$3,880	\$63.78	138	20
385 First Avenue (Post Luminaria)	1	730	\$3,780	\$62.14	138	20
385 First Avenue (Post Luminaria)	1	1,184	\$5,800	\$58.78	138	20
151 East 31st (Windsor Court)	1	600	\$3,595	\$71.90	710	31
151 East 31st (Windsor Court)	2	1,150	\$5,395	\$56.30	710	31
344 Third Avenue (Manhattan Promenade)	Studio	519	\$2,799	\$64.72	183	22
344 Third Avenue (Manhattan Promenade)	Studio	575	\$2,850	\$59.48	183	22
401 East 34th Street	3	1,700	\$8,350	\$58.94	706	14
166 Second Avenue	1	852	\$4,000	\$56.34	157	35
Waterside Plaza	Studio	497	\$2,090	\$50.46	1,400	16

Another source of parking upside within the Complex involves outdoor parking around the loop roads that form the interior road system of Stuyvesant Town. Free public parking is currently allowed along the loops, a situation that encourages a high degree of competition between residents. As an alternative, new ownership could rent these outdoor parking spaces on a monthly basis, generating an additional source of income.

The value of parking at the Complex is significantly enhanced by PCV/ST's convenience from an automobile perspective. Residents with cars can travel north, south, or west with exceptional ease, utilizing the major thoroughfares that form the boundaries of the Complex. The FDR Drive, located immediately east of PCV/ST, is one of Manhattan's two major north-south highways, while 14th Street and 23rd Street are major east-west thoroughfares.

COMPETITIVE ADVANTAGES

In addition to the Complex's security, convenience, tranquility, and long list of resident amenities, several key physical features will continue to attract strong interest from the area's expanding base of wealthy professionals. An overview of these competitive advantages is given below:

RIVER VIEWS Many of the Complex's buildings enjoy expansive views of the East River, a rare aesthetic feature that should generate a significant pricing premium in the market. Units that are not set along the River also offer panoramas unavailable except along the Avenues fronting Central Park, presenting their occupants with pastoral views of the Complex's meandering pathways, open green spaces, playgrounds, and mature shade trees.

SPACIOUS APARTMENT LAYOUTS The Complex's apartments enjoy generous proportions similar to those of pre-war apartments, a welcome alternative to the cramped "cookie cutter" apartment buildings that dominate the Complex's competition in the surrounding areas. These expansive layouts generate a pricing premium and are

particularly important in attracting the neighborhood's discerning market rate tenants.

PRE-WAR FEATURES In addition to the expansive layouts and generous ceiling heights (8' 9" in Peter Cooper Village), apartments within the Complex include both windowed kitchens and bathrooms. All units include parquet wood floors and thermal insulated, double pane windows. These elements lend a pleasant pre-war feel to the units, an important aesthetic competitive advantage. In Peter Cooper Village, the inclusion of a second bathroom in the Two-Bedroom units presents an additional feature that is rare and extremely desirable.

EASE OF COMBINATION A typical Two-Bedroom floor plan in Stuyvesant Town matches up with its neighbor for efficient combination into a four bedroom/three bathroom apartment. The ability to combine units in this fashion presents new ownership with the flexibility to respond to Manhattan's dynamic residential market, targeting whichever segment is in greatest demand.

NO ABUTTING BUILDINGS Unlike virtually any other mid-rise residential accommodation in Manhattan, the buildings of PCV/ST are all free standing and surrounded by trees. This significantly increases the window-to-floor-area ratio of the units, creating pleasant, light-filled apartments on all sides of every building.

PASTORAL LIVING When the residents of PCV/ST leave their buildings, they are immediately immersed in the park-like atmosphere of the Complex. Rather than being confronted with noisy pedestrian and automobile traffic, residents find themselves surrounded by trees, playgrounds, pathways, and other convenient amenities. Shopping can be accessed without entering the Manhattan grid, and residents with cars can access their garage without having to cross the street.

CRITICAL MASS The large population of PCV/ST creates the critical mass to support a variety of services.

RECENT CONDOMINIUM SALES COMPARABLES

Address	BRs	SF	Price	Price PSF	Status
143 Avenue B (Chistodora House)	1	484	\$695,000	\$1,435	Mar-06
203 East 13th Street	1	710	\$970,000	\$1,366	May-06
416 East 11th Street	2	1,376	\$1,849,000	\$1,343	Mar-06
119-121 East 23rd Street (Crossing 23rd)	2	1,077	\$1,350,000	\$1,253	Jun-06
155-157 First Avenue	3	1,496	\$1,850,000	\$1,237	May-06
325 East 9th Street	Studio	515	\$625,000	\$1,213	Apr-06
240 East 10th Street	3	1,496	\$1,802,000	\$1,204	Feb-06
105-107 Third Avenue	1	636	\$762,500	\$1,199	May-06
240 East 10th Street	4	3,008	\$3,575,000	\$1,188	Jun-06
545 East 11th Street (The Fillmore)	1	632	\$742,000	\$1,174	May-06
155-157 First Avenue	4	3,124	\$3,575,000	\$1,144	May-06
114 East 13th Street	Loft	1,164	\$1,330,000	\$1,142	Jun-06
206 First Avenue	2	1,006	\$1,148,000	\$1,141	Feb-06
229 East 24th Street (Brookfield)	1	580	\$660,000	\$1,138	Jan-06
343-351 East 30th Street	Studio	544	\$592,771	\$1,090	May-06
125 East 12th Street	2	1,069	\$1,150,000	\$1,075	May-06
119-121 East 23rd Street (Crossing 23rd)	3	1,559	\$1,666,000	\$1,064	Jun-06
125 East 12th Street	1	754	\$800,000	\$1,061	Apr-06
119-121 East 23rd Street (Crossing 23rd)	1	655	\$659,000	\$1,006	Jun-06

Some of these, such as security, parking, convenience retail, and concierge service, are already in place. Others, such as a fitness center, upscale shopping, and new entertainment amenities, could be added in the future.

CREATIVE STRATEGIES

While the current occupancy rate of more than 98% illustrates the popularity of PCV/ST as configured, additional improvements should be considered in order to maximize the potential of this evolving market rate community. The \$55 million capital improvement program spent to date in 2006 has jump-started the Complex's transition to market rate status. The following creative strategies are means by which new ownership can increase this momentum:

CREATION OF LARGER UNITS While PCV/ST has incredible inherent strengths, it also has areas that new ownership will seek to improve. The majority of the Complex is currently comprised of 5,744 one bedroom one bathroom

apartments and 4,977 two bedroom apartments. While the two bedroom apartments at Stuyvesant Town feature one bathroom, in Peter Cooper Village, all of the 1,252 two bedroom apartments have two bathrooms. Families require or prefer a higher bathroom ratio. Combining apartments will allow for three and four bedroom apartments with three bathrooms. This simple process could add immeasurably to the rental premium and to the demographics of the Complex. The improved demographics could lead to higher retail sales and in turn, retail rents. It may also increase the demand for parking, again, driving the income higher.

TARGETED CONDOMINIUM CONVERSION

As described above, new ownership could take advantage of the desire of residents to own their own home by converting a portion of the Complex to an individual ownership structure. This would help solidify the affluent image of PCV/ST while freeing up significant investment capital.

AN AFFORDABLE CO-OP COMMUNITY

Due to the large population of rent stabilized tenants who wish to continue their idyllic life in the Complex and the ongoing city commitment to provide moderate income housing, city offices may offer special incentives for current PCV/ST tenants that would simultaneously benefit new ownership. In particular, a co-op conversion of certain buildings has been noted in The New York Times to be favored by the New York City Housing and Development Corporation. The HDC has already publicly announced that the agency would try to offer tax breaks, low interest mortgages, special bonds, or even utilize its own reserves, to create affordable loans for current residents to purchase their apartments without effecting ownership's return on units. This would be an ideal opportunity to both garner public favor and maintain, if not improve, profit margins.

ELECTRICAL SUBMETERING Currently, PCV/ST ownership incurs all costs for residents' electrical consumption. By submetering each apartment unit, both market rate and stabilized tenants would reimburse ownership for their individual electrical usage, allocating usage more equitably between different size apartments as well as between PCV/ST thereby significantly lowering expenses. In addition to monitoring the quantity and timing of electrical consumption (particularly during peak hours), submetering provides numerous profit centers such as recurring monthly administration and meter reading fees. Further, electricity can be purchased at more economical bulk rates for the Complex while being charged to tenants at retail rates achieving a 25% premium. Bulk rate pricing will additionally lower electrical costs within common areas.

Submeters are either installed in the building or within individual apartments. An advantage to installing modern submeters within each unit is the ability to centrally monitor temperatures inside the apartment to better control heat fluctuations and ultimately steam expenses.

The cost of implementing electrical submetering is significantly reduced by the NYSERDA "Residential Comprehensive Energy Management (CEM)" Program which provides financial incentives of 60% to 75% of the installation cost of submetering. The remaining net costs are eligible for MCI benefits, permitting ownership to further recapture installation expenses from stabilized apartments. These economics can be additionally enhanced as submetering may be eligible for the J-51 New York City tax abatement.

SHUTTLE SERVICE Despite strong transport options around PCV/ST, Union Square remains the area's transportation hub. As the resident population shifts and rents within the Complex continue to rise, a free shuttle to Union Square as well as the 6 Train at 23rd Street and Park Avenue would be viewed as a major quality-of-life improvement. It could also be run from the garages to area hospitals to attract transient parkers. The cost of operating this dedicated shuttle service would likely be more than offset by increases in achievable market rents and additional parking revenue.

SENIOR FRIENDLY BUILDINGS Another promising area of upside is to create entirely market rate buildings that can be re-positioned as luxury rentals or condominiums. A challenge to this strategy is the re-location of existing rent stabilized tenants. Since many of these stabilized tenants are elderly, one incentive might be to create senior-friendly buildings within the Complex with special services and amenities that would appeal to these older residents. Assisted living operators could run a number of buildings with a full array of services which would generate additional revenue. Improvements by the new owner might simply include redesigned community space for classes, the addition of apartment safety features, the utilization of second bedrooms for nurses' quarters or the inclusion of a live-in nurse. A win/win situation could be unlocked in which the seniors enjoy an improved living environment while new ownership pursues other goals in recaptured blocks of apartments.

FURNISHED QUARTERS Due to cost, availability and convenience, many corporations have begun leasing blocks of apartments to host their traveling employees, clients and consultants. PCV/ST's close proximity to Manhattan's major business, medical and commercial centers makes the creation of these executive stay units at the Complex extremely desirable. By providing businesses with a cost-effective alternative to pricey hotel rooms and the amenities of a true apartment, new ownership would be able to capitalize on the premium rents commanded by this type of unit with no improvements to the real estate. Conversely, new ownership could still reap the benefits of these above market rents with minimal effort by renting a section of apartments to one of the many existing third party providers of furnished corporate suites.

DOORMAN BUILDINGS Current ownership has



already begun the process of allowing for the inclusion of a doorman in several Peter Cooper Village buildings. By continuing to reconfigure one of the units on the main level, the possibility of adding the true luxury of a doorman in the lobby is a viable option for the future owner.

HEALTH AND FITNESS CENTER While current residents of PCV/ST utilize the nearby YMCA and the abundance of outdoor fitness options, the demand for a true onsite health and exercise facility still exists. New ownership could create one or more central fitness facilities with modern exercise machines, a lap pool, a spa center and group exercise classes or install a series of smaller fitness facilities within various buildings. These amenities would allow residents to have all of the advantages described above in PCV/ST, without forgoing the desirable fitness amenities offered in many of the newer high-end residential buildings. Ownership could justify market-rate rental increases for this service, or charge a recreational fee for use of these new amenities. Conversely, the new landlord could choose to rent space to a fitness chain or operator.

HIGH END RETAIL With more of PCV/ST's units becoming market rate, new ownership has the opportunity to cater the Complex's retail mix to the sophisticated needs of the increasingly prosperous residential population. New additions such as a gourmet food shop, a boutique clothing store, a luxury day spa or salon, a specialty children's store and additional upscale dining options would not only create a more urbane image for the Complex, but draw visitors from the surrounding areas. As demand for these high-end retailers increase, new ownership has the ability to create additional retail in order to create a true shopping destination that draws shoppers from around the city, similar to Union Square.

AIR CONDITIONERS PCV/ST was constructed before central air conditioning. Recently, ownership upgraded the electric to allow for the installation of window air conditioning units. New ownership should follow through



with the placement of window units or install through-wall air conditioners in order to maximize the East River views and maintain the serene landscape. New units would also lend a more modern touch to the Complex.

EXCESS AIR RIGHTS Value creation possibilities abound for the significant amount of unused air rights. An array of income-producing structures, including additional retail, storage or parking space, could be created using the remaining square footage. Extra square footage might be utilized in the construction of high-end amenities, such as enclosed roof top observation decks or separate fitness and spa facilities, which would solidify the Complex's enhanced image. If new ownership decided to demolish one of the current residential towers, excess air rights could be applied to the construction of additional units in a newly constructed buildings.

FULL UTILIZATION OF CARD-KEY ENTRY SYSTEM Current ownership has recently installed a card-key entry system in the lobbies of the PCV buildings. This system is a security amenity, and may reduce future staffing needs.

SUBURBAN STYLE AND SAFETY IN THE CITY:PCV/ST already has the foundation to become Manhattan's only gated community, a luxury and convenience only found in the City's most exclusive suburbs. Via multi-mode fiber optic cables that interconnect the Complex's 110 buildings and already lie beneath the perimeter roads, the installation of automated gates would require minimal work. In fact, current ownership is already utilizing these high speed electronic networks to make the

Complex safer through the imminent completion of the Elbex video intercom system and digital signage Info Vision Project that provides community news alerts on flat screen panels. By effectively closing off either PCV or ST, or both of the properties from unwanted public access, residents could enjoy an even greater sense of privacy, peace and safety that is inimitable anywhere else in the city.

ADDITIONAL STORAGE INCOME Convenient storage is in chronic short-supply in Manhattan. With a captive demand base of approximately 20,000 residents, additional storage facilities within the Complex could become a significant source of additional operating revenue for new ownership.

ENTERTAINMENT OPTIONS Given the fact that the Complex has a population equal or greater to many of Manhattan's leading suburbs, the addition of other on-site entertainment options should be considered. Possibilities include the conversion of one of the garages into an entertainment complex, the development of performance space that could be used for entertainment similar to Cirque du Soleil and other theatrical groups, or the cultivation of new high-end shopping facilities. These possibilities would enable the Complex to become a destination location for non-residents, enhancing both the image and the commercial activity of PCV/ST.

TARGETED FAÇADE RE-SKINNING By re-skinning or adding decorative masonry to the perimeter buildings' facades, specifically the buildings along the FDR Drive, the Complex can make a visual statement that will aid tremendously in the evolution of PCV/ST's image as a premier market rate community. A façade renovation program would also create various quality tiers within the Complex, allowing new ownership to target numerous market segments simultaneously.

ROOFTOP TERRACES The development of rooftop terraces, sundecks, or gardens are amenities in high demand by Manhattan residents. This will promote luxury

levels of pricing. For buildings situated along the East River, the addition of this rare and desirable outdoor amenity will provide breathtaking views of the Macy's 4th of July Fireworks Spectacular.

PRIVATE SCHOOL The Complex currently possesses a significant amount of unused air rights. Given the changing demographic of PCV/ST, a logical use of these development rights would be the creation of a private preschool or elementary school that would deliver a superior level of education to the Complex's residents. A school of this stature would serve as a tremendous draw for professionals with families and provide the exceptional convenience of being able to walk children to school without ever leaving the Complex. A significant daycare operation or tutoring facility could have the same effect.

PET-FRIENDLY BUILDINGS PCV/ST currently prohibits pets. While it is sensible to keep parts of the Complex pet free for the comfort of non-pet-owning tenants, the option of designating certain buildings as "pet friendly" should be explored.

CONCLUSION

Truly unique among Manhattan's residential communities, PCV/ST is an 80-acre pastoral oasis that provides its residents with unmatched privacy, security, and convenience. Offering a comprehensive range of recreational, parking, and shopping amenities, the Complex has been one of the City's most popular residential destinations for nearly sixty years. Building upon the Complex's unmatched name recognition, the PCV/ST "brand" is being gradually transformed into Manhattan's most desirable market rate master community. The City's dramatically appreciating residential rental market is aiding in this transition, as is the comprehensive capital improvement plan undertaken by current ownership. New owners will have the unique opportunity to put their personal stamp on the City's largest and most famous apartment complex, utilizing a variety of creative strategies to maximize investment returns.

RETAIL MAP



INSERT RETAIL MAP
